

Clarence W. Stoddard, John R. Walker Jr.
 George B. Stone Joseph K. Walker
 Reid Stringfellow Edward C. Waller III
 Herman A. Stromberg, Robert L. Walters
 Jr. Thomas J. Walters
 John A. Wamsley
 James A. Stubstad Frank W. Ward III
 William C. Stutt Frank T. Watkins, Jr.
 Phillip B. Suhr James D. Watkins
 John H. Sullivan James H. Webber
 George W. Sumner, Jr. William D. Weir
 Charles O. Swanson Henry C. White
 Peter S. Swanson Richard E. Whiteside
 Claude E. Swecker, Jr. Barry D. Whittlesey
 Harry F. Sweitzer, Jr. Eugene J. Wielki
 Gerald E. Synhorst Fred J. Wilder
 Richard W. Taylor Edwin E. Williams
 Malcolm H. Thiele Ralph P. Williams
 Philip H. Thom, Jr. Carl B. Wilson
 Wallace J. Thomas James C. Wilson
 Alexander D. Thomson Ralph E. Wilson, Jr.
 Harry R. Thurber, Jr. Russell F. Wilson
 John A. Tinkham Richard S. Wolford
 Harold F. Tipton, Jr. David J. Woodard
 Robert W. Titus Barkley T. Woods, Jr.
 Robert R. Tolbert George P. Wood, Jr.
 Harry DeP. Train II Edwin E. Woods, Jr.
 Fred Troesch, Jr. William W. Wright
 John K. Twilla James H. Wynn III
 Clinton R. Vall Abdiel R. Yingling, Jr.
 Wallace Valencia Duane C. Young, Jr.
 Jack D. Venable Randall W. Young
 Elias Venning, Jr. Charles J. Youngblade
 Philip Vladessa Charles J. Zekan
 William A. Voegel Marcus A. Zettel
 Leonard F. Vcgt, Jr. Edward F. Zimmer-
 man, Jr.
 Robert L. Volz
 Warren P. Vosseler

The following-named midshipmen (Naval Academy) to be ensigns in the Supply Corps of the Navy from the 3d day of June 1949:

Norman Altman	Bernard C. Hogan
William "B" Anderson, Jr.	J. C. Huenerberg, Jr.
John F. Ivers	
William A. Armstrong	James R. Juncker
Erling O. Barsness	George H. Kapp
William W. Bennett	Robert D. Keppler
Richard B. Blackwell	John F. Knudson
Glenn S. Brooks	Edward M. Kocher
Robert M. Brown	Roy W. Lankenau
Herbert F. Butler, Jr.	Alan Y. Levine
Danforth Clement	John E. McEneaney
Anthony B. Coburn	Robert W. Maxwell
Rex S. Coryell	Burton J. Miller
Charles L. Culwell	Ralph F. Murphy, Jr.
Dorsey W. Daniel	Donald C. Pantle
Jimmy P. Dearing	Sumner Parker
Charles DiBenedetto	Eugene H. Pillsbury
Holton C. Dickson, Jr.	Joel Rabinowitz
Chester L. Ditto	Robert R. Reiss
Thomas J. Donohoe	Lee O. Rensberger
James E. Durham, Jr.	Richard W. Ridenour
Henry D. Elchalt	Robert J. Riger
William T. Emery	Philip T. Riley
George D. Fisher, Jr.	Calvin W. Roberts
Horace P. Fishman	Ivan L. Roenigk
James J. Garibaldi	William T. Roos
William L. Gary	William Sandkuhler, Jr.
Thomas M. Gill	
Ephraim P. Glassman	Alfred F. Simcich
Richard Glickman	Charles McK. Smith
Jack H. Habershier	Howard M. Stuart, Jr.
Don C. Haeske	James G. Tapp
Richard W. Haley	Thomas W. Tift, Jr.
William G. Hall	John H. Vice
Robert P. Hausold	James B. Way, Jr.
Everett C. Higgins	John C. Wilson

The following-named midshipmen (Naval Academy) to be ensigns in the Civil Engineer Corps of the Navy from the 3d day of June 1949:

Irving Bobrick	Lemon DeK. Lang
Warren F. Brown	Paul G. LeGros
Wesley A. Brown	Walter E. Marquardt, Jr.
Neal W. Clements	
William L. Collins	Claude J. Quillen, Jr.
Rudolph F. D'Ambra	Donald R. Trueblood
Stephen A. Gilles	Roger G. Twell
William C. Hall	Donald W. Wittschiebe
Gordon W. Hamilton	
Louis E. V. Jackson	William E. Wynne

The following-named midshipmen (Naval Academy) to be second lieutenants in the Marine Corps, from the 3d day of June 1949:

William D. Bassett, Jr.	Charles H. Mays
James D. Beeler	Robert C. Needham
William A. Black	Edward J. O'Connell, Jr.
Kenneth A. Bott	
Philip C. Brannon	Lawrence G. O'Connell, Jr.
Ralph H. Brown	
William J. Budge	William C. Peterson
James J. Connors, Jr.	Tom D. Parsons
Kelly J. Davis, Jr.	Roger W. Peard, Jr.
Lewis H. Devine	Theophil P. Riegert
Richard C. Ebel	Thomas E. Ringwood, Jr.
Richard H. Francis	
James R. Gober	Archie R. Ruggieri, Jr.
Fred Grabowsky	Kenneth W. Schiweck
Thomas I. Gunning	Merlin F. Schneider, Jr.
Wayne L. Hall	
Robert T. Hardeman	Richard W. Sheppe
Thomas P. Hensler, Jr.	Eugene O. Speckart
Carlton H. Hershner	Carl M. Stalneck
Ivan A. Hissom	Paul F. Stephenson
Henry Hoppe III	Allan MacL. Stewart
Robert G. Hunt, Jr.	Joseph Z. Taylor
John M. Johnson, Jr.	Jack E. Townsend
Charles M. Jones, Jr.	Kenneth E. Turner
MacLean Kelley	Littleton W. T. Waller
Calhoun J. Killeen	
Robert H. Krider	William Wentworth
Randlett T. Lawrence	Richard H. West
Charles P. McCallum	Charles S. Whiting
Jr.	Harry D. Woods

Robert L. McElroy

The following-named (civilian college graduates) to be ensigns in the Navy from the 3d day of June 1949:

Robert E. Allard	Donald O. Modeen
Ralph G. Dalton	James S. Orloff
Albert S. Douglass	Glenn E. Skinner, Jr.
Henry E. Hohn	Chandler G. Smith
Bertie G. Homan	Charles M. Walker
LeRoy Klein	

The following-named to be ensigns in the Nurse Corps of the Navy:

Lucille R. Kroupa	Frances M. Tibbetts
Lolita D. Surprenant	Barbara J. Vines

The following-named officer to the grade indicated in the line of the Navy:

LIEUTENANT
 "J" V. Hart

The following-named officer to the grade indicated in the Dental Corps of the Navy:

LIEUTENANT
 Ralph H. S. Scott

IN THE COAST GUARD

The following officers of the United States Coast Guard Reserve to be commissioned in the United States Coast Guard, dates of rank to be computed in accordance with prescribed regulations:

To be Lieutenants (junior grade)

John F. Kelley
 Jay P. Dayton

CONFIRMATION

Executive nomination confirmed by the Senate March 28 (legislative day of March 18), 1949:

COMMISSIONER OF INDIAN AFFAIRS

John R. Nichols to be Commissioner of Indian Affairs.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 28, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou Christ who walked the lonely way, hear our prayer. Amid the dis-

tractions confronting the minds of this hour, we need a directive hand to show us the way. Increase our understanding of the right that we may love that larger life that ever seeks to serve Thee and all humankind. Forbid that we should in any way violate the dictates of our consciences but, as freemen, discharge the whole obligations of our assigned office.

We ask Thee, Father, to infuse us with a spirit that is fearless of criticism that may emanate from any source. Grant that all our bearings may spring from minds that are studied and prepared. Lead us to believe that we are part of a great plan that will carry with it the rapture of moral victory and spiritual progress. Through Christ our Saviour. Amen.

The Journal of the proceedings of Friday, March 25, 1949, was read and approved.

HOURLY MEETING TOMORROW

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER pro tempore (Mr. McCormack). Is there objection to the request of the gentleman from Tennessee? There was no objection.

CONTINUATION OF THE EXEMPTION FROM THE TAX ON TRANSPORTATION OF PERSONS OF FOREIGN TRAVEL VIA NEWFOUNDLAND

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 203, to maintain the status quo with respect to the exemption, from the tax on transportation of persons, of foreign travel via Newfoundland.

The Clerk read the resolution, as follows:

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 3469 (a) of the Internal Revenue Code (relating to the tax on transportation of persons) is hereby amended by inserting after the second sentence thereof a new sentence to read as follows: "A port or station within Newfoundland shall not, for the purposes of the preceding sentence, be considered as a port or station within Canada."

Sec. 2. The amendment made by this joint resolution shall apply to amounts paid for transportation on or after April 1, 1949.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I am not going to object to the consideration of this piece of legislation because I realize it has been unanimously endorsed by the Committee on Ways and Means and that it is continuation of legislation that has been enacted previously, but I would like to ask the gentleman if his committee has got around to giving consideration to an excise bill that I introduced some weeks ago and which I think the American people are anxious to have enacted into law?

Mr. MILLS. The committee has not had an opportunity to consider the bill introduced by the gentleman from Massachusetts but, like the gentleman, I hope

the committee may have an opportunity of doing so as speedily as possible.

Mr. MARTIN of Massachusetts. I hope the committee will get at it as soon as possible.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. TRIMBLE asked and was given permission to extend his remarks in the Record and include a resolution.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in the Record and include a letter from Hon. Frank Annunzio.

Mr. BUCHANAN asked and was given permission to extend his remarks in the Record in two instances and include extraneous matter.

Mr. JONES of Alabama asked and was given permission to extend his remarks in the Record and include an address delivered by his colleague the gentleman from Alabama [Mr. RAINS] before the United States Conference of Mayors in Washington on March 25 and a resolution regarding the same.

Mr. LARCADE. Mr. Speaker, last week I obtained unanimous consent to extend my remarks in the Record and include an article entitled "The Struggle for American Air Power." I am informed by the Public Printer that this will exceed two pages of the Record and will cost \$230.75, but I ask that it be printed notwithstanding that fact.

The SPEAKER pro tempore. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. MITCHELL asked and was given permission to extend his remarks in the Record.

Mr. MULTER asked and was given permission to extend his remarks in the Record in three instances and include extraneous matter.

Mr. LANE asked and was given permission to extend his remarks in the Record in two instances and include various news items.

Mr. BARING asked and was given permission to extend his remarks in the Record and include an address by Hon. Archie L. Cross.

Mr. BARTLETT asked and was given permission to extend his remarks in the Record.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in the Record and include a news item.

Mr. PERKINS asked and was given permission to extend his remarks in the Record and include an article appearing in the Courier-Journal.

Mr. SHAFER asked and was given permission to extend his remarks in the Record in two instances and include a newspaper article.

Mr. REED of New York asked and was given permission to extend his remarks in the Record in four instances and include extraneous matter.

Mr. JENNINGS asked and was given permission to extend his remarks in the Record and include a poem.

Mr. ALLEN of California asked and was given permission to extend his remarks in the Record and include extraneous matter.

Mr. ANGELL asked and was given permission to extend his remarks in the Record and include an editorial appearing in the Oregonian.

Mr. VELDE asked and was given permission to extend his remarks in the Record and include an editorial appearing in the Peoria Star.

COMMITTEE ON THE JUDICIARY

Mr. LANE. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit today during general debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NATIONAL LEAVE US ALONE WEEK

Mr. WHEELER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WHEELER. Mr. Speaker, April 1 will mark the beginning of a week which has come to be known as Leave Us Alone Week. National Leave Us Alone Week was originated by Mr. F. Lander Moorman as a publicity gag and started in a newspaper column in the Coffee County Progress during March 1948. The idea immediately caught the eyes of thousands of people. It was observed with success in Douglas, Ga., in 1948 and is now scheduled as a special week annually.

National Leave Us Alone Week is dedicated to merchants and businessmen in which they keep themselves free from fund-raising drives and solicitors. This is a Customers Only Week. It gives the merchant an opportunity to greet customers instead of solicitors. It is the merchants' first free week since the new year came. Since merchants and businessmen give the major support to fund-raising drives, it is only fair that they have a week to be left alone and be assured that no one will interfere.

PERMISSION TO ADDRESS THE HOUSE

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

[Mr. REED of New York addressed the House. His remarks appear in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[Mr. DOLLIVER addressed the House. His remarks appear in the Appendix.]

VETERAN INSTITUTE CONTRACTS

Mr. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD. Mr. Speaker, it has been called to my attention that the VA has inaugurated a new system in the handling of Veteran Institute contracts throughout the country and as a result approximately 203 school districts in the State of Michigan may be without such programs by the end of March.

If the VA on April 1 arbitrarily enforces this new plan, 18,000 veterans in Michigan, and undoubtedly thousands throughout the United States, will be cut off from high school instruction or from supplemental schooling in conjunction with their on-the-job or on-the-farm training.

The school officials in Michigan have done a tremendous job assisting veterans, for since August 1945, over 50,000 GI's have received instruction in local institutions. I concur in the position taken by Mr. Lee M. Thurston, state superintendent of public instruction, and the local school officials in my district when they say the VA's new regulations have made it impossible to complete the newly-required contract data by April 1 and further, that this move by the VA is simply another attempt to impose the will of Federal bureaucracy upon our local educational institutions.

ARIZONA

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Speaker, I want to renew my invitation of last week to my colleagues and their families and official staffs to come tonight to the caucus room in the Old House Office Building to see some very beautiful pictures. I know many of you have seen pictures of Arizona in our Highway magazine which you probably have received by now. The picture I am most anxious to show you is a sound movie in color which will give you nothing more or less than those pictures which you have in your Highway magazine from Arizona, with the added attraction of seeing a live picture.

I extend my invitation to all Members of the Congress and as many of their families and staffs as can come to the caucus room, Old House Office Building, at 7:30 p. m.

PUBLICATIONS OF COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. WOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WOOD. Mr. Speaker, I have to-day introduced a resolution calling for the printing of 1,000,000 additional copies of 6 publications issued by the Committee on Un-American Activities. The committee has on hand requests for more than 1,000,000 copies of the publications mentioned in the resolution. I am certain that most of the Members of this House have received numerous requests for copies of these committee publications which have not been filled. The committee's hearing room contains more than four boxes, of a large size, which are filled with requests for committee publications. These letters and post cards can be examined by any Member of the House at any time. I think that a re-issue of the six committee publications mentioned in the resolution introduced today, will prove to be of great value to every Member of this House who votes for the adoption of the resolution. I know of no cheaper or simpler method of warning the American public about the subversive forces operating in the United States than through the medium of the information contained in committee publications. I hope that every Member of this House will vote favorably on this resolution when it comes to the floor.

TABULATION OF REQUESTS FOR 100 THINGS YOU SHOULD KNOW ABOUT COMMUNISM SERIES

One Hundred Things You Should Know About Communism In the U. S. A.: Approximately 100,000 requests by telegram, letter, post card, and telephone for 1,500,000 copies.

One Hundred Things You Should Know About Communism and Religion: Approximately 100,000 requests by telegram, letter, post card, and telephone for 1,500,000 copies.

One Hundred Things You Should Know About Communism and Education: Approximately 75,000 requests by telegram, letter, post card, and telephone for 1,000,000 copies.

One Hundred Things You Should Know About Communism and Labor: Approximately 75,000 requests by telegram, letter, post card, and telephone for 1,250,000 copies.

One Hundred Things You Should Know About Communism and Government: Approximately 50,000 requests by telegram, letter, post card, and telephone for 1,000,000 copies.

Total approximate number of requests, 400,000.

Total approximate pamphlets requested, 6,250,000.

Spotlight on Spies: Only 10,000 copies will be available for distribution. It is expected that the demand for this pamphlet, because of the information contained therein, will exceed the requests made for the pamphlets mentioned above.

EXTENSION OF REMARKS

Mr. CROOK asked and was given permission to extend his remarks in the RECORD on the subject of organized labor's contribution to our American way of life.

HON. LOUIS A. JOHNSON, SECRETARY OF DEFENSE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS. Mr. Speaker, today the affairs of the Department of Defense fall into the hands of the new Secretary of Defense, Louis A. Johnson, of West

Virginia. Secretary Johnson is well known to veterans everywhere. He has a distinguished career as the former national commander of the American Legion. He is well known to Members of Congress, since the days of his service as Assistant Secretary of War in a preceding administration. He has rendered outstanding service to the Nation in preparing our defenses and placing everything in readiness for the last World War. In my judgment Mr. Johnson is a man of magnificent ability and accomplishment. He is taking over the affairs of the Department of Defense at a critical time when great ability is sorely needed. I think he can handle the job. Our best wishes and hearty congratulations go with the new Secretary of Defense this morning as he assumes the heavy duties of his new office.

EXTENSION OF REMARKS

Mr. MURRAY of Tennessee asked and was given permission to extend his remarks in the RECORD and include an editorial from the Salamanca (N. Y.) Republican-Press.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include an article by the Veterans' Administration answering an attack which occurred in Collier's magazine.

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include therein a notice from the Commissioner of Labor of the State of Connecticut.

Mr. McCULLOCH asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Cleveland Plain Dealer.

Mr. ELLIOTT asked and was granted permission to extend his remarks in the RECORD and include an article.

The SPEAKER pro tempore. This is District of Columbia day.

CALL OF THE HOUSE

Mr. HAYS of Ohio. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. Evidently there is no quorum present.

Mr. HARRIS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 46]

Battle	Hart	Patman
Bland	Hobbs	Pfeiffer
Boggs Del.	Hoffman, Mich.	Joseph L.
Bosone	Jennings	Pfeiffer
Buckley, N. Y.	Johnson	William L.
Bulwinkle	Keogh	Powell
Byrne, N. Y.	Kerr	Quinn
Canfield	Lanham	Riehlman
Celler	Latham	St. George
Chudoff	Lichtenwalter	Smith, Ohio
Clemente	Linehan	Somers
Coffey	Lodge	Staggers
Coudert	McGrath	Stanley
Davenport	McSweeney	Stefan
Davies, N. Y.	Macy	Taber
Davis, Tenn.	Merrow	Taylor
Dawson	Miller, Calif.	Thomas, N. J.
Dingell	Miller, Nebr.	Weichel
Gilmer	Morrison	Werdell
Gore	Morton	Whitaker
Gossett	Murphy	White, Calif.
Halleck	Noland	White, Idaho
Hand	Norton	Wolcott
Harden	O'Brien, Mich.	Woodruff
Harrison	O'Toole	Young

The SPEAKER pro tempore. On this roll call 363 Members have answered to their names; a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONFERENCE REPORT ON H. R. 1731

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill H. R. 1731.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1950

Mr. KIRWAN, from the Committee on Appropriations, reported the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes (Rept. No. 324), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union, and ordered to be printed.

Mr. JENSEN reserved all points of order on the bill.

EXTENSION OF REMARKS

Mr. BREHM asked and was given permission to extend his remarks in the RECORD on the subject of labor legislation.

Mr. SHORT asked and was given permission to extend his remarks in the RECORD in two instances; first, to include a brief statement by Dr. Tadeusz Bielecki, chairman of the Polish National Democratic Party, before a group of our colleagues on March 22, 1949; and in the other, an interview between Ely Culbertson and the Foreign Minister of Spain.

Mr. ALLEN of California asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MCGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include the results of a poll taken in my district.

Mr. Speaker, I have checked with the Public Printer and am informed that this will exceed the usual limit, but I ask that it be printed, notwithstanding.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include certain excerpts.

Mr. KIRWAN (at the request of Mr. MANSFIELD) was given permission to extend his remarks in the RECORD and include an address by Hon. James Farley.

Mr. NORRELL asked and was given permission to extend his remarks in the RECORD and include a speech by Congressman Brooks over the radio.

SPECIAL ORDER GRANTED

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that following the

disposition of business on the Speaker's desk and at the conclusion of special orders heretofore granted I may address the House for 2 minutes today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

Mr. EVINS asked and was granted permission to extend his remarks in the Record and include a history of the Cumberland University, notwithstanding the fact that the additional cost estimated by the Public Printer is \$60.

Mr. RAINS asked and was granted permission to extend his remarks in the Record and include a newspaper editorial.

Mr. O'KONSKI asked and was granted permission to extend his remarks in the Record.

Mr. VAN ZANDT asked and was granted permission to extend his remarks in the Record on the veterans' pension bill.

Mr. HAGEN asked and was granted permission to extend his remarks in the Record and include a radio talk by Commander Frackman on veterans' affairs.

REPEAL OF TAX ON OLEOMARGARINE

Mr. COLMER, from the Committee on Rules, submitted the following privileged resolution (H. Res. 168) on the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, which was referred to the House Calendar and ordered printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

DISTRICT OF COLUMBIA LEGISLATION

The SPEAKER pro tempore. This is District of Columbia day.

DAYLIGHT-SAVING TIME

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 135) to establish daylight-saving time in the District of Columbia.

Pending that, Mr. Speaker, I ask unanimous consent that general debate be limited to 40 minutes, the time to be equally divided and controlled between the gentleman from Minnesota [Mr. O'HARA] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas [Mr. HARRIS]?

There was no objection.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Arkansas [Mr. HARRIS].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 135) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District of Columbia, with Mr. Boggs of Louisiana in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Arkansas [Mr. HARRIS] is recognized for 20 minutes and the gentleman from Minnesota [Mr. O'HARA] will be recognized for 20 minutes.

The gentleman from Arkansas.

Mr. HARRIS. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the District Committee has directed me to report to the House S. 135, which would authorize the Board of Commissioners for the District of Columbia to establish daylight-saving time within the District.

S. 135, which was passed by the other body February 10, 1949, was before the committee, as was H. R. 1347, a companion measure in the House of Representatives, introduced and sponsored by our colleague the gentleman from New York [Mr. KLEIN].

This proposed legislation would merely extend the authority of the District Commissioners for the District of Columbia to provide daylight-saving time for the District. It is unnecessary for me to take but little of your time in explaining this proposed legislation.

The Members of this House are familiar with daylight-saving time. It was first proposed in the District of Columbia as a war measure, a daylight-saving measure, in 1941, called war-saving time. The House in 1947, I believe, for the first time by special act gave the District Commissioners authority to provide daylight-saving time for the District of Columbia for that year, 1947. It was again extended for 1 year in 1948.

The gentleman from New York [Mr. KLEIN] introduced H. R. 1347, which would give the District Commissioners permanent authority to fix daylight-saving time for the District of Columbia for the months beginning with the last Sunday in April, I believe, and extending to the last Sunday in September. In view of the legislative history and the action taken by the House heretofore the committee decided that it probably would be better to limit it again to 1 year. An amendment was offered and adopted to that effect so that the bill is extended for this year, 1949, only. Personally, I see no reason why this should not be made permanent if we are going to have it come up year after year, and particularly if we are going to continue to grant the authority.

I am not so happy about daylight-saving time myself; nevertheless, I am convinced that the greater number of people here in the District of Columbia do want daylight-saving time, and I accede to the wishes of the people who came before our committee and made a case on the basis of their honest convictions; consequently, Mr. Chairman, I agreed to the amendment that would provide 1 year only, for 1949, for daylight-saving time for the District of Columbia.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. Can the gentleman tell this body whose daylight it would save, and how?

Mr. HARRIS. I would not care to go into that. One of the witnesses who came before the committee said we had the so-called daylight-saving time in reverse, that it ought to be applied in the other months of the year instead of the summer months. I would not care to go into that technicality, because, as I say, I have never been too happy about daylight-saving time. The majority of the people involved want daylight-saving time during the summer months, and since they have had it for 7 or 8 years and since most of the surrounding metropolitan areas likewise have daylight-saving time, I consequently acceded to those wishes and voted for extending it another year.

Mr. Chairman, I reserve the balance of my time.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Minnesota is recognized.

Mr. O'HARA of Minnesota. Mr. Chairman, it is with some regret that I find myself compelled to oppose my colleague from Arkansas who is presenting this bill. I do so rather reluctantly.

I wish to correct one statement the gentleman from Arkansas made, unwittingly, I am sure, and that is that daylight-saving time was terminated by Executive order; it was terminated in 1945, after it had been in operation for 3 years, by unanimous vote of both Houses of the Congress. We had 3 years of operation of it and it brought nothing but turmoil and unhappiness to the country generally. The gentleman from Arkansas and myself as members of the Committee on Interstate and Foreign Commerce had hearings as early as 1943 for the repeal of daylight-saving time. In 1945 it was as I recall the first wartime act that was repealed.

I appreciate that a couple of years ago there was a considerable drive put on in the District of Columbia for daylight-saving time. There were some so-called polls taken. The radio people put on quite a drive because the big chains in New York started their programs on daylight-saving time due to the fact their offices happened to be in New York; then our friends on the Board of Trade wanted to add something to it; so they brought on quite a drive and propaganda for daylight saving.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Arkansas.

Mr. HARRIS. It is true that Congress has extended daylight-saving time in the District of Columbia twice?

Mr. O'HARA of Minnesota. Yes, that is correct, and over my violent objection.

Mr. HARRIS. Was not the gentleman, my distinguished friend who is now speaking, chairman of the subcommittee that reported this bill to the House and brought it to the House, which act extended daylight saving for 1 year during the year 1947?

Mr. O'HARA of Minnesota. Yes; but I opposed the bill. I did not pigeonhole the bill as I might have done as chairman of the subcommittee that brought it out.

Mr. HARRIS. The gentleman is very fair as he is at all times.

Mr. O'HARA of Minnesota. I announced at the time that I was opposed to the bill.

In that connection may I say with reference to the committee, and I refer to the Committee on the District of Columbia, the committee this year was practically evenly divided as against bringing out this bill or reporting it. The gentleman in his own condition of mind is not very happy about it. The District of Columbia Committee did not report it unanimously by any manner or means. There were very many distinguished members of the committee against it, including the chairman of the committee, Mr. McMILLAN of South Carolina, and Messrs. MILLER of Nebraska, JONES of Missouri, WADSWORTH, SMITH of Virginia, SIMPSON of Illinois, JONES of Alabama, DAVIS of Georgia, and myself. In addition to that there were two members of the committee who did not want to sign the report and voted against bringing out any daylight-saving time bill. If he had had all our opposition present the bill would have not been reported.

May I say that I hear a great deal from the people of the District of Columbia. There has been a great delusion abroad about this matter. As the gentleman from Missouri stated awhile ago, you do not save any daylight by shoving up the clock an hour. There is the same amount of daylight. You do not change the operation of the planets at all. The sun rises at the same time. You just discommode a lot of people because a few individuals think that there is some gardening exercise they get or they have a little more time for golf or they get to play a little more. So far as 98 percent of the people are concerned if they want to play they can get in the same amount of play without daylight-saving time as they do with daylight-saving time.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, let us take our Government operations. Most of the hours of bureau operations are regulated by the matter of transportation. The Government workers have a 40-hour week, they have all day Saturday off. Many of the stores during the summertime close for a half day each week in the city of Wash-

ington. Your banks generally operate upon a different hour-basis than any other business and it does not make any difference to them except so far as the market operations are concerned in New York, Los Angeles, Chicago, and perhaps some other places. So it does not make any difference to them. The banks adjust themselves as they please.

This is the Nation's Capital. When you change the time different from standard time and your constituents want to call you from home, they, of course, do not know that we have daylight-saving time here in Washington. So, instead of allowing an hour's difference in time, why it is 2 hours difference in time. Take the gentleman from Oregon, for example; there you have 3 hours difference in time. Of course, at home, when they call you, or wire you on some important business, they do not know that your office is closed, because you are trying to operate for the convenience of the District of Columbia in your office as a Congressman.

Let me read from an article appearing in one of the local papers, which carries an Associated Press dispatch headline from Philadelphia:

DAYLIGHT SAVING CUTS CHILD SLEEP, DOCTOR DECLARES

PHILADELPHIA, May 14.—Daylight-saving time is a menace to the health of school children, Dr. John P. Turner, a member of the Philadelphia Board of Education, says.

Students are getting only 6 or 7 hours' sleep and great numbers are suffering from nervous reaction because of daylight saving, Dr. Turner declared in asking a survey be made directly through the schools.

"Instead of getting up at 7 o'clock, our children are getting up at 6 after staying up late because you just can't make a child go to bed when the sun is still up," Dr. Turner told a board meeting.

The doctor said he has visited hundreds of homes as a physician and has treated children for both physical and nervous reactions caused by lack of sleep.

A survey would determine the extent of the harm done by a lost hour of sleep daily, he suggested.

Joseph J. Greenberg, another member of the board, asked Dr. Turner if he thought the situation were serious enough to ask the return of standard time and the physician replied:

"I certainly do."

Of course, among the other things, the housewife is getting her meal an hour earlier in the heat of the afternoon. It does not do the people of the District of Columbia or those who reside in the vicinity, by reasons of being Members of Congress, any good to lose that additional hour of sleep in the morning.

Gentlemen, I want to say to the Committee that I think there has been a complete change of feeling even in the District of Columbia. We do not have this rather hysterical and passionate clamor for daylight-savings time that we had 2 years ago. Why? Because the people have awakened to the fact that it is not doing them any good and is a complete delusion.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Michigan.

Mr. DONDERO. What time is used in the States surrounding the District of

Columbia; for example, Maryland and Virginia?

Mr. O'HARA of Minnesota. Let me say to the gentleman that even in Maryland there are some adjoining counties to the city of Washington that have daylight-savings time and some that do not have daylight-savings time. Now, what the condition is in Virginia I do not know, but I know that that is a fact in Maryland.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Arkansas.

Mr. HARRIS. The testimony before the committee revealed that in Alexandria, Va., they do have daylight-savings time, and in Arlington they do have daylight-savings time; and in Richmond, Norfolk, Bristol, and a number of counties.

Mr. O'HARA of Minnesota. I see the gentleman from Virginia here. He can probably answer that question.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield myself two additional minutes.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I might say for the Virginia communities that the only reason they went to daylight-savings time was on account of the fact that the District of Columbia had put in daylight-savings time. We do not have a daylight-savings law in Virginia.

Mr. O'HARA of Minnesota. It just shows what one bad apple does in the barrel.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. REES. Am I correct in stating that the question of daylight-savings time came up during the war period, and it was suggested we ought to have it in order to save electrical energy? Was not that the idea?

Mr. O'HARA of Minnesota. Yes; and nobody ever showed that we saved a kilowatt.

Mr. REES. That is right; we did not save anything. Now they want to continue this wartime thing year after year.

Mr. O'HARA of Minnesota. Yes; even though a majority do not want it.

Mr. REES. This would be a good time to get rid of it.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Ohio.

Mr. HUBER. Does the gentleman feel that the majority of the citizens of the District of Columbia are opposed to daylight-saving time?

Mr. O'HARA of Minnesota. I honestly do.

Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, it may be said that upon this occasion I am talking out of turn because I am trying to talk as a countryman. I wish more people in the great cities of this country

had a conception of what daylight-saving does out in the farm areas. It should be remembered that whenever a great city goes on daylight saving a large area, extending 40 or 50, perhaps 60, miles away from the city, is compelled to go on daylight saving also, always against its will, the reason being this: When the city goes on daylight saving, the markets of the city must conform, which means that goods sent to market from the farms must leave the farms an hour earlier. This applies especially to the dairy business. When a city goes on daylight saving the telegraph companies must go on daylight saving, and their service over the country is on a daylight-saving basis. It is the same with the telephones, and the same with truck transportation. Indeed, the people in the country are helpless to a large degree and are compelled against their will—and I venture to say to you that they hate it—to go on daylight saving.

Perhaps the city folks here present will let me describe what happens on the dairy farms, and the dairy farms are not the only ones affected. Any general-purpose farm is affected in the same way. The dairy farmer must milk his cows early enough in the morning to load the milk on a truck to go to the city, to his processing plant in the city. Normally, on "sun time" the dairy farmer gets up at 5 o'clock or earlier in the morning the year around in order to get the milk chilled and ready and loaded in a truck to go to town. This means that only during the middle summer months, when the sun rises earlier, does the dairy farmer get up by daylight. For at least 7, perhaps 8 months in the year he gets up in the dark, even under "sun time." Then we come along with daylight saving and put the clock ahead a whole hour, and the dairy farmer gets up 12 months of the year in pitch darkness. That is what happens. I have seen it myself on a farm which I operate myself, and believe me, those people hate it.

The housewife has to get up an hour earlier to cook the breakfast for the men. Then when the milk is shipped and leaves the farm, around 6:30 or 7 in the morning daylight saving time, all work on that farm in the fields, if it is a harvest season, has to pause for at least an hour to wait until the dew gets off the grass. I have seen that happen time and time again and when 6 o'clock p. m. daylight saving time comes along, the idea is that the farm work should stop. It is then only 5 p. m. "sun time." Every farmer knows that in the last 2 or 2½ hours of daylight, according to "sun time," some of the most important work done on farms in the harvest season is done.

In other words, it imposes upon the farmers a definite hardship, from which he cannot escape when city folks insist on going on daylight saving time. City folks seldom, if ever, think of what it means. Most of them do not know where their food comes from or how it is produced. But I am portraying to you a practical problem. It does far more harm than good.

So when you are legislating for the District of Columbia do not get the idea that you are legislating solely for people

of the District. You are not. You are imposing your will upon thousands of hard-working people out on the land and compelling them to do something which is utterly against their inclinations and against their actual needs.

Mr. Chairman, I hope this bill will not pass.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARRIS. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I hold the gentleman from New York in the highest esteem. We all recognize his ability and his sincerity, and the fact, too, that he is always exceedingly capable of presenting his position. He has just told the committee about what a tremendous hardship will be worked on the farmers because we may have daylight saving in the District of Columbia. I might say to the gentleman, and I do not say it with any boastful spirit on my part, that I have lived on a farm. I have milked cows, and I know something about what it means to get up early. I know something about the little-dairy business. If the gentleman has ever been around a dairy he knows that a dairyman cannot operate much if he has to wait until 5 o'clock in the morning to get out.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I am glad to yield to the gentleman.

Mr. WADSWORTH. May I say to the gentleman that I was most conservative in stating what time the farmer gets up.

Mr. HARRIS. The gentleman was most conservative.

Mr. WADSWORTH. Yes.

Mr. HARRIS. The dairyman in this business, and particularly if he is in business on a commercial scale, is up at 2 or 3 o'clock in the morning.

But, Mr. Chairman, there are no dairies in the District of Columbia. This is merely for the District of Columbia, and nowhere else.

Mr. WADSWORTH. Does the gentleman deny that the District of Columbia, in enacting such legislation, will not affect the farmers in Virginia?

Mr. HARRIS. It will affect the farmers of Virginia very little, and especially the dairymen. The gentleman knows, I am sure, and if he will investigate he will find out, that the milk which is delivered to the District of Columbia by the dairymen from Virginia and Maryland is milk which was milked the day before. It was brought to the sheds the day before. It is not milk which was milked that morning.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. CHRISTOPHER. Do you not think that the House perhaps ought to protect its record and try not only to legislate for the District of Columbia, but to set a good example for the rest of the country as well?

Mr. HARRIS. Of course, it is always appropriate, I believe, and highly desirable, too, for the House of Representatives to set a good example for the country. I do hope that we can do that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARRIS. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I think I can yield back about 1 minute of my time.

I would like to make this observation, that here is another opportunity that Congress has to relieve some of the confusion which has existed and which has been caused by daylight-saving time. That is certainly a misnomer. As other Members have said, it does not save any time, but it does add to the confusion. I think Congress has an opportunity at this time to vote not to have daylight-saving time and therefore set an example. In other words, as I said on another bill, too many people look to what we do here in Congress and try to emulate the action of Congress, despite the fact that, as one member of the committee who said he was in favor of this bill, stated that actually he is not in sympathy with it. In other words, let us vote for what we think is right this time and let us try to end the confusion that has been brought about by this law.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. O'HARA of Minnesota. I had overlooked one serious item of confusion, and that is the confusion of the railroads and airlines and buses and all forms of transportation, which confuses everybody all over the country when they come here and find that the interstate transportation operates under Federal direction.

Mr. JONES of Missouri. And on standard time.

Mr. O'HARA of Minnesota. And on standard time.

Mr. JONES of Missouri. Which does not conform to the time they see around hotels and in other public places.

Mr. O'HARA of Minnesota. That is right.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. GRANGER. It is certainly the consensus of opinion of the committee that the Congress should not set any bad examples. Is that true?

Mr. JONES of Missouri. I hope they will not set any bad examples.

Mr. GRANGER. The gentleman should remember that when this sales-tax matter comes up.

Mr. JONES of Missouri. I am afraid I cannot agree with the gentleman on that.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. JONES] has expired.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield myself the remainder of the time.

In concluding my opposition to this bill, I should like to call attention to the fact of the terrific amount of confusion this daylight saving has brought about in the matter of transportation, which perhaps does not affect the Members of Congress, but certainly it affects everyone from our districts who comes here, and it affects the people who live in the District of Columbia. That is a very obvious fact. The railroads and airlines

and bus companies and all forms of interstate transportation operate upon standard time. Then we have the confusion which arises in the minds of, our constituents, who come here and find when they get ready to take their plane or bus or train that they have gone to the depot ahead of time by one hour.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. REES. From what source does there come a demand for this legislation. Who in the world seems to want it? Who are they? We would like to know. The gentleman is familiar with the whole problem and has conducted hearings on the matter. Who are the people who are demanding this?

Mr. O'HARA of Minnesota. I do not know of any who have demanded it. I think perhaps the Commissioners rather reluctantly brought this bill up, and the gentleman from Arkansas [Mr. HARRIS] being a kindly and courteous gentleman, has brought it up today.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. BROWN of Ohio. Of course, if we advance the clocks in the District by 1 hour, and they are not advanced in our home districts, then we will be thrown out of balance that much farther with the people back home who are trying to get us by telephone in regard to some important public business.

Mr. O'HARA of Minnesota. The gentleman agrees with me completely.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. NICHOLSON. But we get one more hour of sunshine, and I think most of us need a little bit more.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from New York, the author of the bill that is before the District Committee [Mr. KLEIN], to conclude the debate.

DEBATE POINTS UP HOME RULE NEED

Mr. KLEIN. Mr. Chairman, it seems to me that the debate that is going on here points up the great need for home rule, or some type of self-government for the people of the District of Columbia. Mr. Chairman, I do not impugn the motives of any Member in his views on this matter. I am trying to look at it from the standpoint of the majority of the people here in the District of Columbia. It seems to me that what many of you are doing is to inflict your own views or the views of your constituents on the people of the District of Columbia.

I should like to answer the question raised by the gentleman from Kansas [Mr. REES] as to who is in favor of this bill. I think it might be easier to tell you who is opposed to the bill.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. REES. I am just wondering how different folks look at it, folks in the laboring group—

Mr. KLEIN. Yes; it might make a difference to some.

Mr. REES. I know certain groups expressed themselves in their appear-

ance before other committees of the Congress on this subject as well as others. I am just wondering if there were home rule here in the District of Columbia whether the people in the District and in the city of Washington, generally speaking across the board would support this legislation when they realize as has been suggested here the inconveniences that come about in the fields of transportation and communication by reason of this tinkering with time.

Mr. KLEIN. I wish the gentleman would not take up any more of my time. I appreciate his position and his views. Every organization I know of is for this bill; I do not know any organization which is opposed. The board of trade, which represents the business interests in the District, is for it; the District Commissioners are for it; the labor unions are for it; the Government employees are for it.

I do not know of anybody against it.

Yet the gentleman from New York [Mr. WADSWORTH], who is a fine man and is honest and consistent in his views, and the gentleman from Minnesota [Mr. O'HARA] are in this instance arguing in a most inconsistent manner.

They are saying that the people of the District of Columbia should not be permitted to impose their views and their likes and dislikes on the people of other States, with which I can agree; but they mean just the opposite. The gentlemen are actually proposing that the people of Minnesota, or of Kansas, or of any other far-away State, should be allowed to dictate to the people of the District of Columbia.

Most emphatically I repeat that I agree with them fully that the people in each State should determine for themselves, under their own laws, the kind of time—fast, standard, or even slow—under which they wish to work and live; but by the same token the people of the District of Columbia should be able to express their desire for daylight-saving time, and through us as their city council to make those views effective when it appears that a majority here want daylight-saving time.

The argument the gentlemen are making is the best argument I can think of for not prejudicing the people of the District of Columbia in the kind of time they want.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. O'HARA of Minnesota. The gentleman asks who is against the bill. I refer the gentleman to the testimony of a witness from the Bureau of Engraving and Printing where they have some 9,000 Government employees. He said that at least 90 percent of that group of Government employees were opposed to the bill.

Mr. KLEIN. I did not know that. Now, will the gentleman tell me if there were others against the proposal?

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. HARRIS. A witness by the name of Mr. William H. Hund from the Bureau of Engraving and Printing appeared before the committee and said that 90 per-

cent of their group down at the Bureau of Engraving and Printing was opposed to the bill; but a Mrs. Harriet French who is legislative chairman for the entire Federal workers—

Mr. O'HARA of Minnesota. For the recreation group.

Mr. HARRIS. An organization of District Government employees, said the Government workers were for the bill.

Mr. O'HARA of Minnesota. She was speaking for the recreation employees. She said 90 percent of them were for it.

Mr. KLEIN. Mr. Chairman, I should like to make my point, if I may be permitted to.

It may be that some small groups are opposed to the bill, but the great majority of business people in the District, and of people who live here, people who work in the District, are in favor of this bill.

The gentleman speaks of inconvenience in the matter of transportation and communication, on the grounds that were this bill passed District time would be faster than his time back home. I can tell him of just the reverse of that in my own case. When I am in New York over the week end, if I come back by plane, the ordinary plane takes a little more than an hour to get here, but if the plane is unusually fast I would find myself arriving in Washington before I left New York City. That is very confusing.

Mr. O'HARA of Minnesota. The gentleman is for the bill because they have daylight saving time in New York.

Mr. KLEIN. And it has worked out very well; yes. But my reason for being for the bill is the same as my reason for being for anything else for the District of Columbia; and that is, if a majority of the people of the District want it, then I am for it.

Mr. BROWN of Ohio. I wonder if we could not settle the whole controversy without difficulty by just declaring a 6 months' vacation so that no one will work at all other than employees of the recreation department.

Mr. KLEIN. If the people want it, I am for it.

The CHAIRMAN. The time of the gentleman from New York has expired.

All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Board of Commissioners of the District of Columbia is authorized to advance the standard time applicable to the District 1 hour for a period of each year commencing not earlier than the last Sunday of April and ending not later than the last Sunday of September. Any such time established by the Commissioners under the authority of this act shall, during the period of the year for which it is applicable, be the standard time for the District of Columbia.

With the following committee amendment:

Page 1, strike out lines 3 to 7, inclusive, and insert the following: "That the Board of Commissioners of the District of Columbia is authorized to advance the standard time applicable to the District 1 hour for the period commencing not earlier than the last Sunday of April 1949 and ending not later than the last Sunday of September 1949."

The committee amendment was agreed to.

Mr. HARRIS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. McCORMACK, having resumed the chair, Mr. Boggs of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 135) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. HARRIS. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. O'HARA of Minnesota) there were—ayes 80, noes 59.

Mr. O'HARA of Minnesota. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make a point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 223, nays, 130, not voting 80, as follows:

[Roll No. 47]

YEAS—223

Abernethy	Chesney	Fogarty
Addonizio	Chiperfield	Forand
Albert	Coffey	Fugate
Allen, Calif.	Cole, Kans.	Fulton
Anderson, Calif.	Cole, N. Y.	Furcolo
Arends	Combs	Gamble
Aspinall	Corbett	Garmatz
Auchincloss	Cotton	Goodwin
Balley	Crook	Gordon
Baring	Crosser	Gorski, Ill.
Barrett, Pa.	Dague	Gorski, N. Y.
Bates, Mass.	Davis, Wis.	Gossett
Beall	Deane	Granahan
Bennett, Mich.	Delaney	Green
Biemiller	Denton	Hagen
Blatnik	Dollinger	Hall
Boggs, La.	Donohue	Leonard W.
Bolling	Doughton	Halleck
Bolton, Md.	Douglas	Hardy
Bolton, Ohio	Doyle	Harris
Bramblett	Durham	Hays, Ark.
Breen	Eaton	Hays, Ohio
Brown, Ga.	Eberharter	Hébert
Bryson	Elliot	Hedrick
Buchanan	Ellsworth	Heffernan
Buckley, Ill.	Elston	Heller
Burke	Engel, Mich.	Herlong
Burnside	Engle, Calif.	Herter
Burton	Evins	Heseltun
Byrnes, Wis.	Fallon	Hinshaw
Carlyle	Feighan	Holifield
Carroll	Fenton	Holmes
Case, N. J.	Fernandez	Hope
Case, S. Dak.	Fisher	Horan
Chatham	Flood	Howell

Huber	Mahon
Irving	Marcantonio
Jackson, Calif.	Marsalis
Jackson, Wash.	Martin, Mass.
Jacobs	Miller, Calif.
James	Mills
Javits	Mitchell
Jones, N. C.	Monroney
Judd	Morgan
Karst	Multer
Karsten	Nelson
Kean	Nicholson
Kearney	Nixon
Kearns	O'Brien, Ill.
Keating	O'Hara, Ill.
Kee	O'Neill
Kelley	O'Sullivan
Kennedy	Pace
Kilburn	Patten
Kilday	Patterson
Kling	Perkins
Kirwan	Peterson
Klein	Philbin
Kruse	Phillips, Tenn.
Kunkel	Poage
Lane	Potter
LeFevre	Poulson
Lind	Price
Lucas	Priest
Lyle	Rabaut
Lynch	Ramsay
McCarthy	Redden
McConnell	Reed, Ill.
McCormack	Regan
McDonough	Rhodes
McGuire	Ribicoff
McKinnon	Rich
McMillen, Ill.	Rivers
Mack, Ill.	Rodino
Madden	Rogers, Fla.

NAYS—130

Abbitt	Gary	Murray, Wis.
Allen, Ill.	Gathings	Norblad
Allen, La.	Gavin	O'Hara, Minn.
Andersen,	Gillette	O'Konski
H. Carl	Golden	Passman
Andresen,	Graham	Phillips, Calif.
August H.	Granger	Pickett
Andrews	Grant	Polk
Angell	Gregory	Preston
Barden	Gross	Rains
Barrett, Wyo.	Gwinn	Rankin
Bates, Ky.	Hall	Reed, N. Y.
Beckworth	Edwin Arthur	Rees
Bennett, Fla.	Hare	Sabath
Bishop	Harvey	Sanborn
Blackney	Havener	Scribner
Bonner	Hill	Shafer
Boykin	Hoeven	Short
Brehm	Hull	Sikes
Brooks	Jenkins	Simpson, Ill.
Brown, Ohio	Jennings	Smith, Kans.
Burdick	Jones, Ala.	Smith, Va.
Camp	Jones, Mo.	Smith, Wis.
Cannon	Keefe	Spence
Carnahan	Larcade	Tackett
Cavalcante	LeCompte	Talle
Chelf	Lemke	Thomas, Tex.
Christopher	Lesinski	Trimble
Church	Lovre	Van Zandt
Clevenger	McCulloch	Velde
Colmer	McGregor	Vinson
Cooley	McMillan, S. C.	Vorys
Cooper	Mack, Wash.	Vursell
Cox	Magee	Wadsworth
Crawford	Mansfield	Welch, Calif.
Cunningham	Marshall	Wheeler
Curtis	Mason	Whitten
Davis, Ga.	Meyer	Williams
DeGraffenried	Michener	Willis
D'Ewart	Miles	Wilson, Ind.
Dolliver	Miller, Md.	Winstead
Dondero	Morris	Withrow
Fellows	Moulder	Wood
Ford	Murdock	
Frazier	Murray, Tenn.	

NOT VOTING—80

Battle	Dawson	Kerr
Bentzen	Dingell	Lanham
Bland	Gilmer	Latham
Boggs, Del.	Gore	Lichtenwalter
Bosone	Hale	Linehan
Buckley, N. Y.	Hand	Lodge
Bulwinkle	Harden	McGrath
Burleson	Harrison	McSweeney
Byrne, N. Y.	Hart	Macy
Canfield	Hobbs	Martin, Iowa
Celler	Hoffman, Ill.	Morrow
Chudoff	Hoffman, Mich.	Miller, Nebr.
Clemente	Jenison	Morrison
Coudert	Jensen	Morton
Davenport	Johnson	Murphy
Davies, N. Y.	Jonas	Noland
Davis, Tenn.	Keogh	Norrell

Norton	Richards	Weichel
O'Brien, Mich.	Riehlman	Werdell
O'Toole	St. George	Whitaker
Patman	Scott, Hardie	White, Calif.
Pfeifer,	Smith, Ohio	White, Idaho
Joseph L.	Somers	Woodcott
Pfeiffer,	Stanley	Woodruff
William L.	Stefan	Young
Plumley	Taber	Zablocki
Powell	Taylor	
Quinn	Thomas, N. J.	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Morrison for, with Mr. Harrison against.

Mrs. Norton for, with Mr. Stanley against.

Mr. Gilmer for, with Mr. Stefan against.

Mr. Murphy for, with Mr. Miller of Nebraska against.

Mrs. Bosone for, with Mr. William L. Pfeiffer against.

General pairs until further notice:

Mr. Hobbs with Mr. Canfield.

Mr. Battle with Mr. Plumley.

Mr. Powell with Mr. Macy.

Mr. Whitaker with Mr. Taber.

Mr. Young with Mr. Hardie Scott.

Mr. Noland with Mr. Hand.

Mr. White of California with Mr. Boggs of Delaware.

Mr. Hart with Mr. Lichtenwalter.

Mr. McGrath with Mr. Merrow.

Mr. Dingell with Mr. Morton.

Mr. Chudoff with Mr. Coudert.

Mr. McSweeney with Mr. Hoffman of Michigan.

Mr. Clemente with Mr. Jenison.

Mr. Quinn with Mr. Woodcott.

Mr. Burleson with Mr. Woodruff.

Mr. Davenport with Mrs. St. George.

Mr. Davies of New York with Mr. Riehlman.

Mr. Dawson with Mr. Hoffman of Illinois.

Mr. Richards with Mr. Lodge.

Mr. Joseph L. Pfeiffer with Mr. Latham.

Mr. Buckley of New York with Mr. Taylor.

Mr. Byrne of New York with Mr. Jonas.

Mr. Keogh with Mr. Hale.

Mr. Celler with Mr. Harden.

Mr. Lanham with Mr. Weichel.

Mr. Brooks changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

AMENDING THE ECONOMIC COOPERATION ACT OF 1948

Mr. COX, from the Committee on Rules, reported the following privileged resolution (H. Res. 169, Rept. No. 328), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3748) to amend the Economic Cooperation Act of 1948. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMITTEE ON RULES

Mr. SABATH. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost \$307.67, but I ask that it be printed notwithstanding that fact.

The SPEAKER pro tempore. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an article by Dr. Stewart.

Mr. GOLDEN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. KARSTEN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. ROONEY asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

ADDITIONAL REVENUE FOR THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3704) to provide additional revenue for the District of Columbia; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from Massachusetts [Mr. BATES] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from South Carolina.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3704, with Mr. Boggs of Louisiana in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, we bring you again today a revised revenue measure for the District of Columbia. You will recall that we brought you a measure 2 weeks ago which was defeated in the House on a roll call by 10

votes. Endeavoring to conform to the necessities of the case and to the wishes of the House, we have revised that bill and added some other features, and we brought you here today a bill which we believe is a fair compromise of differences that existed on the floor and we very much hope that the House will adopt this new bill.

I should like to explain briefly the differences between this bill and the bill we had up week before last.

Under the old bill, all items under 14 cents were exempted, and they are still exempt under this bill. All items from 51 cents under the old bill up to a dollar carried a 2-cent tax. We have changed that, and the 2 cents tax now goes on under the new bill only at 63 cents. The 3-cent tax would go on at \$1.13, and so on.

We have incorporated a different method of collection of the sales tax. Instead of requiring the assessors and the merchants to keep accurate records of every sale, we have imposed this tax upon the gross sales of the merchant. This is calculated to save a great deal in the administration of the act and the cost of collection.

We have kept in the new bill all of the amendments that were adopted on the floor of the House 2 weeks ago to the other bill; that is, all those exemptions and changes that were made on the floor are incorporated in this bill. We have added a title which increases the liquor license tax in the District of Columbia by 50 percent in all instances.

We have brought in a raise in the real estate tax for the District of 15 cents on the \$100, and in that connection let me say that the present rate is \$2. Up until 2 years ago the rate was \$1.75. The rate was raised from \$1.75 to \$2, and there was a reassessment made, which resulted in an over-all increase in the amount of the tax on real estate of 32 or 33 percent. By raising it 15 cents more, the net result is that in the past 2 years the tax on real estate in the District of Columbia will, if this bill is passed, have been increased by over 40 percent, which this committee thought was as much increase as they ought to be called upon to bear.

We have made some changes in the income-tax law. This has been a matter of a great deal of controversy because of the fact that a great many Federal employees who live here are domiciled in the States of their nativity. Putting on the sales tax, we have thought it was fair to raise the exemption under the income tax to the point where the lower income tax group would not be touched by the revised income tax. We have revised, however, the definition of residence so that every person resident in the District for the 7 months preceding the first of the year will be subject to an income tax but will not be subject to the income tax except on that portion of his income which is in excess of \$4,000. In addition to his exemption of \$4,000 he will have the usual dependency exemptions and expense exemptions.

As I had occasion to state on the floor of the House 2 weeks ago, this sales-tax bill has been very generally approved and

endorsed by the people of the District, particularly by the organizations here. I should like to repeat the organizations that have in the hearings endorsed the sales tax: the Washington Board of Trade; the Washington Taxpayers' Association; the Fiscal Relations Committee of the Federation of Citizens' Associations, through both the chairman and the vice chairman of that committee, which means that this federation representing all the citizens' associations of the District of Columbia, has endorsed this tax bill, and they are the people who have to pay it; the Junior Chamber of Commerce; and the Washington Building Congress. We also received testimony favoring the sales tax from the Home Builders' Association of Metropolitan Washington, the Washington Real Estate Board and the Federation of Women's Clubs in the District of Columbia.

Mr. Chairman, I am sorry that my time is limited, but I hope to have time under the 5-minute rule to answer any questions that may be asked of me.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 10 minutes to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, I am sorry I have to disagree with the distinguished gentleman from Virginia on this matter. I hope I may have the attention of the members of the committee, because I think we need to be told what the score is in relation to this bill. I wonder if the gentleman from Massachusetts is going to give me 5 minutes additional time?

Mr. BATES of Massachusetts. Later on, I might be able to do so, but I am trying to divide the time on this side.

Mr. GRANGER. I wish the gentleman would give me 5 minutes.

Mr. BATES of Massachusetts. The gentleman has 10 minutes already; I think he should dispose of that time, first, before we take time from somebody else.

Mr. GRANGER. Mr. Chairman, we are discussing a very important piece of legislation. We are trying to find money to raise \$18,000,000 of additional revenue. You have not been told how that has come about. That is why I want to have five extra minutes.

Following this bill you are going to have a pay increase bill which calls for an increase in salaries of firemen, policemen, and teachers up to \$330 a year. On top of that, that increase is going to be made retroactive. It will place into this bill the whole burden of paying for these salary increases. Instead of being \$330, actually for this fiscal year it is going to be \$660. If we pass this increase and make it retroactive, it will mean we will have to raise nearly \$6,000,000 of additional revenue. If we do not do that and only make the increase for this next fiscal year, it will mean that the deficit which we are trying to provide for would be reduced to \$12,000,000, instead of \$18,000,000. That is the situation which confronts us. I believe these people are entitled to a raise, and I voted to bring it out of the committee and to make it retroactive.

I think it is the responsibility of the opponents of the sales tax to raise reve-

nue so that this can be done. We have done that. You will have passed among you an amendment which I propose to offer as a substitute for the Smith bill. It will raise the revenue so that we will have money to spare at the beginning of the next fiscal year.

Let us consider the property tax first, about which there has been so much discussion, as to whether it is fair or not. There is no particular reason to live in the District of Columbia, except for the fact that this is the seat of government. The economy has been built around the District of Columbia because we have the government here. That is an important thing to remember. Furthermore, the whole pay roll of the Federal Government is here and it is dumped into the channels of trade at the rate of \$5,000,000, every month of every year.

Would you not like to live in a city that had that great possibility for revenue? There is no other city in the land that has that opportunity. How would you like to live in a city where one single taxpayer would come up on July 1 and pay into the Treasury \$12,000,000 to defray the expenses of government.

There is no other city in the United States that has that privilege. So there is an advantage over every other city in the country to owning property in the District of Columbia. Therefore, they should not only pay what every other city in the land pays, but they should be compelled to pay a premium. Why? We are talking about the rate of pay. The rate of pay on the assessed valuation of property of the taxpayers is well below that of any other city of comparable size. They even refuse to pay that minimum.

Let me show you what other benefits they have. Let us compare Washington with comparable cities. Here is Baltimore, with a higher rate than is paid in the District of Columbia. In addition to that, to operate their city they have a debt of \$164,500,000 of deferred payments. Boston has \$129,700,000; Buffalo, \$65,000,000; Cleveland, \$95,700,000; Milwaukee, \$6,600,000; Pittsburgh, \$47,600,000; St. Louis, \$44,300,000; San Francisco, \$117,000,000. The great city of New York, and cities of that size, are carrying a deficit of a billion dollars; and yet the people of Washington are not willing to pay their fair share of this tax. Why? Because they are running on a budget where they pay the whole cost every year. If these other cities had to do that they would double their rates over what is paid in the District of Columbia.

Now, that is what all this noise is about today. In the amendment I will offer I am proposing to raise the rate of 2 percent to 2½ percent on the assessed valuation of the property in the District of Columbia, which will increase the revenue almost \$8,000,000.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. CRAWFORD. In looking over the gentleman's amendment, I have in my hand a sheet showing the revenue receipts in the District of Columbia—alcohol beverages. It shows the amount of revenue stamps purchased by each of the

10 or 15 distributors in this area in a given year, covering 3,965,000 gallons of liquor, 725,000 gallons of wine, 588,000 gallons of beer. Then this sheet also shows the approximate net profit on all those transactions. It also shows that some of these licenses are valued as high as \$150,000, just for the license, if you want to transfer it. It runs from \$60,000 up to \$150,000. So that seems to be a pretty profitable situation. I would prefer the gentleman's amendment to a sales tax for this area.

Mr. GRANGER. Now let us take the other means of raising revenue. This committee has been telling you "Oh, we are for an income tax as a means of raising revenue. We have explored every other avenue of raising revenue and cannot find it." Do you not know that you spend more money for liquor in Washington, D. C., than you do for milk? You spend five times as much for liquor as you do for education. What tax do you pay on it? On hard liquor you pay 50 cents a gallon. What is the national average on that? \$1.42 a gallon. Now, let us see what Arkansas charges on liquor. The State of Arkansas charges \$2.52 a gallon on hard liquor. Tennessee, \$2 a gallon. All States adjacent to it are away above the rates charged by the District of Columbia. What is happening here? People as far away as the State of Pennsylvania are coming down here to buy liquor because it is cheap.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. GRANGER. Mr. Chairman, will the gentleman from Massachusetts yield me some time?

Mr. BATES of Massachusetts. Mr. Chairman, I yield the gentleman from Utah five additional minutes.

Mr. GRANGER. I thank the gentleman.

Mr. Chairman, this is the place to get revenue. We are not talking about peanuts here. In this new bill they raise the cost of the license on the dealers in the District of Columbia. What will it mean? It will mean that it will put a lot of small dealers out of business and make a clean-cut monopoly out of it for a few big dealers like the large hotels. That is the difference between the two bills. The revenue is here if we have a mind to go out and get it. As I propose in my amendment, all wine would be taxed. There never has been a tax on wine that had an alcoholic content less than 14 percent; I propose to levy a 10-cent tax on that and to increase the tax on other wine from 10 cents to 20 cents. I also propose to increase the tax on hard liquor from 50 cents to \$1 per gallon. This would still make liquor in the District of Columbia cheaper than it is in Maryland, about on a par with what it is in the State of Virginia, and much cheaper than it is in many other parts of the country. Here is the place to get some revenue. Some people ask: Why not tax these lobbyists we have around here. This is the place to tax the lobbyists, for then when they give these big cocktail parties we will know that when they serve the liquor they are paying some of the taxes to help the District of Columbia. This is the best way to get at them.

The income tax, another part of this bill, is the same as it was before. This will raise an additional \$5,000,000. So you have under my proposal, taxes to which no one can object too much and under it we can raise \$15,000,000; or enough to balance the budget and give the District a decent kind of tax without resorting to the tax of last resort—the sales tax. I hope the committee will give careful consideration to my substitute bill. It is an important bill. It is a bad example for this Congress to set for the Capital City of the Nation to put into effect a sales tax which in anybody's language is a bad tax. It strikes at the poor more than anyone else; and, frankly, everything in the Smith bill is against the little fellow.

This is not my idea alone; the distinguished gentleman from Virginia offered this amendment about which I am talking, but he said the liquor boys did not want it, so he threw it away; of course, they do not want it.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. SMITH of Virginia. I am sure the gentleman wants to be accurate. Nobody, of course, wants these taxes.

Mr. GRANGER. That is right.

Mr. SMITH of Virginia. That is the difficulty I found; but it was not determined by the liquor people; it was determined by the committee of which the gentleman is a member. The committee decided not to report that bill out but did report out the substitute in this bill of an increase of one-half of the cost of the liquor license.

Mr. GRANGER. As I understand, there were no hearings on the gentleman's bill. It was offered but not pressed because as he said to me the liquor people did not want it, the Alcohol Control Board did not want it, and the committee did not want it.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. SMITH of Virginia. The gentleman is mistaken about that, and I am sure he does not intend to be. We did hold hearings in the joint committee of the Senate and House, and the subcommittee was favorable to it. The full committee was not favorable to it, so the matter was abandoned and we provided instead this increase of one-half in the cost of the liquor license.

Mr. TOWE. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from New Jersey.

Mr. TOWE. How much additional revenue would come from the liquor tax as a result of the gentleman's proposal?

Mr. GRANGER. Under my proposal the best estimate I could get is that there would be an increase of a little better than \$2,000,000. Still it would be the lowest priced liquor in the whole country.

Mr. O'SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Nebraska.

Mr. O'SULLIVAN. These three pages I have constitute the gentleman's bill?

Mr. GRANGER. Yes, but it is not half as complicated as the number of pages would indicate. The matter of the taxes and the stamps has already been approved and that part of it was written by the Bureau of Internal Revenue. So there would not be any mix-up on the stamps.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. Jones].

Mr. JONES of Missouri. Mr. Chairman, may I make the observation that in Missouri as well as in some 29 other States there is a sales tax which is paid by all of the people. The revenue from the tax is used to help support all of our State institutions and particularly the schools in the State of Missouri.

I cannot see how any Representative coming from a State whose constituents pay a sales tax in their own States can vote against a similar tax being imposed upon the residents of the District of Columbia, thereby permitting them to participate in the cost of their government. On the other hand, if we vote against this sales tax we will be making it imperative probably for the Congress to increase the Federal contribution to the District of Columbia, which I think would be very unfair to the constituents of our own States who now pay the tax we are seeking to impose upon the people of the District of Columbia. That is one of the main reasons why a sales tax is fair and why the Congress should support the pending bill at the present time.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this is an annual event in the Congress of the United States in connection with the consideration of a revenue bill for the District of Columbia. It is repetitious of that which is going on in every city and town in the United States, except that in the other cities and towns, the question of taxes is determined by the city and town governments in their respective city and town throughout the country. Under the Constitution of the United States, the legislative authority for the government of the District of Columbia is vested in the Congress of the United States. Every power that the District of Columbia government has, is a power given to it by the Congress. The power to levy taxes is a power given to the District by the Congress. Today, we are considering the question not only as to how much money the government of the District must have to run the District, as originally submitted to the Congress by the Commissioners who are the administrative officers of the District, but also the question as to how we should raise the money with which to carry on the affairs of the District of Columbia.

We have been told that the budget of the District of Columbia as submitted to Congress in the early part of the year was an austerity budget. There were no provisions in the budget for additional school buildings; for the expanding and shifting school population; to extend the necessary services of the District to adequately

care for the indigents. In addition to the austerity budget, or what we might well consider to be the current administrative cost of the District, we are face to face with a situation that is unparalleled, I believe, not only by the District, but any other city of its size in the United States. We are faced with a situation, whereby the Federal employees only a year ago received what was then called a cost-of-living increase, and always, it has been the practice of the Congress that when the Federal civil employees received an increase in wages or salaries that employees of the District were given increases of a similar nature. In addition to that, the firemen, the policemen, and the teachers are to be given consideration along the same line. The Federal employees received their increase in wages. They have already been paid. A year ago, the House passed a bill authorizing a \$330 increase for the District employees, and also an increase for the firemen, policemen, and teachers. But, there was a condition attached to the legislation coming through the House that such payment of cost-of-living increase should only be paid if additional revenue was approved by the Congress and approved by the President. No new revenue bill was approved, and the sources of revenue then available and now available, are inadequate to meet the changes in the budget requirements which today, because the \$8,000,000 in the ordinary maintenance cost of the government, according to the budget, together with the \$5,000,000 more needed to increase the salaries of teachers, firemen, and policemen and all other civil employees for the year 1950, starting July 1st, and then the \$5,000,000 more to take care of the retroactive features of the pay increase for the fiscal year that we are now in, makes a total deficiency of approximately \$18,000,000.

Now, ladies and gentlemen, we have got to use common sense about this situation. The destiny of the employees in the administration of the city itself in this respect is in the hands of the Members of Congress, and whatever we do here today depends entirely on whether or not the necessary revenue sufficient will be raised to take care of those needs and whether or not the 18,000 employees who rightly may expect an increase, a cost-of-living increase, in their salaries and wages, shall receive the same.

I just want to take a few moments to get this story before the Members of the House. I want to say that this is my thirteenth year on the Committee on the District of Columbia. Every year of that 13 I have been a member of the fiscal committee. Ten years ago, I participated in the revision of the revenue and tax bill of the District as the result of the Pond report. The question before us today of a sales tax which has been mentioned on so many occasions and which is an important issue, has been a matter that we have considered down through a period of the last 10 years. May I restate what I stated only 2 weeks ago on the floor of the House about the Pond report—Mr. Pond being an expert in the field of municipal taxation, made a report 10 years ago in his study of the local District finances that we ought to adopt a combination of income and sales tax

exempting those who had net incomes of less than \$14,000 and then applying the so-called 2-percent sales tax. I very vigorously opposed it at that time, and we did defeat the sales-tax provision of the Pond report.

We also included an income-tax provision, the first income-tax provision in the revenue laws of the District ever enacted into law. That was under an amendment I offered on the floor of the House 10 years ago, and it has been one of the basic revenue sources from that time to the present.

We have consistently from that time to the present been attempting to broaden the income-tax law that would make all residents here pay an income tax if they did not pay it in another tax jurisdiction. In other words, coming from Massachusetts, where we have an income-tax law, if I perchance should be a resident here engaged in the Government over a period of many years and I paid an income tax in the State of Massachusetts, the amount I paid in the State of Massachusetts would be deducted from the amount I would be assessed in the District of Columbia. That is under what we call the reciprocal arrangements that are made between the various States of the Union that assess an income tax. But the Members of Congress every year—since 1939—that have attempted to broaden that income tax have defeated it on the ground that the people coming from other States who claim domicile in those States, even though they may live here continuously for 10, 20, or 30 years, should not be compelled to pay an income tax in the District of Columbia if they do not pay anywhere else.

We have a situation in the District of Columbia today where approximately 250,000 people, who pay a Federal income tax, give the District of Columbia as their residence, yet when we consider the number that pay a local income tax, out of the 250,000 that pay the Federal income tax, we find that just a little over 80,000 people who claim residence in the District pay a local income tax. It is because of our inability to get the income tax broadened over a period of years that we are here today face to face with this situation which I believe is unparalleled. We are face to face with a situation where the most basic of all taxes, in my opinion, the income tax, cannot be broadened because of the action of Congress, and we are forced thereby to turn to another source, a major source of income, namely the sales tax, in order to meet the requirements of the District budget.

Of course, the property tax is the most basic of all taxes in any community. It has been so from the beginning of time. I realize that I have said on many occasions that the property tax here in the District over a period of years has been, in my opinion, extremely low. However, when I became chairman of the subcommittee of the Committee on the District of Columbia 2 years ago, for the first time in that 10-year period, I had an opportunity to correct, at least in part, that situation that I believe should be cured, by increasing the tax rate from \$1.75 to \$2 per \$100. At the same time, the Dis-

strict assessors increased property values all over the District on an average of about 18 percent, and the rise in the tax load that resulted from the increase in the tax rate and the assessment averaged about 30 percent over the tax bill of the preceding year. It has been said, and it has been so incorporated in the bill that my friend, the gentleman from Utah [Mr. GRANGER] has filed, that we ought to increase the property taxes here to \$2.50 per \$100, instead of the present rate of \$2 per \$100. Let me show the Members of the House what effect that will have on the real property taxpayers of the District of Columbia. Let us take the 1947 figure, when properties were assessed at the subnormal rate, or low rate, of \$1.75 per \$100. Let us consider a house that was assessed at \$10,000 at that rate of \$1.75 per \$100. In the fiscal year 1948, the owner of that property paid \$175 in taxes. As a result of the jacking up of the tax rate the following year to \$2 and an increase in the assessed valuation of that property to the extent of 20 percent, the assessment was brought up to \$12,000, and at the \$2 rate in 1949, the tax bill was \$240, as compared with \$175 the year before.

On the other hand, in our bill for this year we are increasing the tax rate 15 cents more per \$100, or making it \$2.15. On the basis of a \$12,000 assessed valuation, which is an increase of 20 percent, as I said a moment ago, the taxpayer on that real property in 1950 will pay a tax bill of \$258 as against \$175 in 1948, or an increase of 47.4 percent as compared with the tax bill that he paid only 2 years ago.

My friend, the gentleman from Utah [Mr. GRANGER] comes along and says that we ought to jack up the rate to \$2.50. On the basis of present assessments, if we apply the \$2.50 rate, the tax bill would be \$300 as against \$175 2 years ago, which is an increase of approximately 70 percent.

If that is so, it seems to me we ought to go pretty slow, so far as jacking up the rate is concerned on what we call the property tax in the District of Columbia. I think we have to give them a chance to adjust in the local situation. We have to take advantage of every other source of revenue that may be available from the standpoint of equity and fair dealing. Because the Congress refuses to broaden the income tax and thus rely on another major source of revenue to meet the requirements of this large budget, and also to meet the deficiencies which are a result of the increase in salaries and wages being paid to District employees, and as a result of salary increases, to meet the cost of living, we must take advantage of every source of revenue, but on a basis of equity and fair dealing.

Those are the principal features of the bill. I do not like the sales tax. As I have said on many occasions, every year for the past 10 years, I have opposed the sales tax. If the Members of Congress will give us a broader income-tax basis, it will in a substantial way meet the requirements of the District budget. But we have to go beyond that now. We are suggesting the other forms of taxation, which, while they will bring in a smaller

amount of money, as compared with the total amount that is necessary, they will be of great help.

We have given a great deal of thought and study to the tax structures of all the large cities of the country. We have come to the conclusion that from the standpoint of fairness and equity to the taxpayers of the District of Columbia we have to assume a tremendous burden and we are justified in recommending the only source of revenue remaining, in the light of the action of the Congress in refusing the income tax bill. We must rely on the sales tax, the liquor license tax, and other minor taxes that we have recommended in this bill. We feel that something has to be done. You will be given an opportunity today by the Granger amendment, by the Klein amendment, and by several other amendments that will be offered, to vote for a broadened income tax. But even if any one of these is adopted, that will not meet the situation, because with the broadened income tax, and to double the rates over the present rate, you will still have a deficit of \$6,700,000.

Mr. WELCH of California. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. WELCH of California. The gentleman served with distinction as mayor of his home city of Salem for a number of years. Will the gentleman tell the committee the present tax rate in the city of Salem?

Mr. BATES of Massachusetts. You mean the property tax?

Mr. WELCH of California. The tax rate on property.

Mr. BATES of Massachusetts. The tax rate in practically every city in the country is anywhere from \$25 to \$65 per thousand.

Mr. WELCH of California. That would be \$6 per thousand in Salem.

Mr. BATES of Massachusetts. Yes.

Mr. WELCH of California. What is the total tax rate on property in the District of Columbia?

Mr. BATES of Massachusetts. The total under the present rate is \$2 a hundred, but the assessed values are higher than in other places.

Mr. WELCH of California. Is there any reason why the District should not pay a comparative tax rate with that paid in the city of Salem, the city of Boston, the city of San Francisco, Chicago, Philadelphia, New York, or any other large city?

Mr. BATES of Massachusetts. I do not think it is a question of the tax rate—

Mr. WELCH of California. It is a question of the tax rate, based on assessed valuations.

Mr. BATES of Massachusetts. I will answer the gentleman if he will give me time. I do not think it is a question of the tax rate. It is the tax bill that the property owner has to pay. Here in the District of Columbia, it is my opinion that the assessed values of property are far higher than in large cities generally in the United States. In the gentleman's own city of San Francisco, according to information that I have received, and which he may verify himself, the assessed value there is only about 50 percent of

the actual, real sale value of property in the city of San Francisco. In the District of Columbia, with respect to business property, the assessment is about 77 percent of what we might call the real value in the open market; and in the case of apartment houses, it is about 74 percent.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. BATES of Massachusetts. Mr. Chairman, I yield myself five additional minutes.

Mr. WELCH of California. The gentleman made a mistake with reference to the tax rate and assessed valuations in San Francisco.

Mr. BATES of Massachusetts. Now, just a moment. I do not yield. I have consulted many people—in fact, the comptroller of the city of San Francisco last week informed me himself that the assessed value of property in the city of San Francisco has a ratio of about 50 percent of what we might call the real value in the open market.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. GRANGER. But you did not say that they had \$127,000,000 deferred taxes to be paid. That is what they have in San Francisco.

Mr. BATES of Massachusetts. Of course, the gentleman is speaking about a matter which is entirely extraneous to the subject we have before us today.

Mr. GRANGER. Oh, no.

Mr. BATES of Massachusetts. I will realize what the gentleman is speaking about in respect to the bonded indebtedness of those communities. I will realize that in the District of Columbia we have no bonded debt. We are on a pay-as-you-go policy. I further admit that if we borrowed money for the purpose of the budget, we would be saving only about \$7,000,000, because that is all the money that we take out of what we call the permanent revenue of the general fund to carry on permanent improvements.

Mr. GRANGER. Let us see if we do not agree on this point at least: We are trying to raise \$18,000,000 additional revenue; is that right?

Mr. BATES of Massachusetts. Yes.

Mr. GRANGER. And how much we need will depend, of course, on what we do with the salary increases.

Mr. BATES of Massachusetts. That is right.

Mr. GRANGER. If we increase salaries and make the increase retroactive to July 1, 1948, we shall need \$18,000,000 to balance the budget.

Mr. BATES of Massachusetts. Approximately.

Mr. GRANGER. And if we do not do that, if we make the salary raises from July 1, 1949, we shall need \$5,000,000 less.

Mr. BATES of Massachusetts. That is right.

Mr. GRANGER. Actually, then, what we are talking about would be in the neighborhood of \$12,000,000.

Mr. BATES of Massachusetts. That is right; but let me ask the gentleman a question: Was not the gentleman among

those who voted for the salary increase in the committee and to make them retroactive?

Mr. GRANGER. Yes.

Mr. BATES of Massachusetts. Then the gentleman will agree that the amount is not \$12,000,000, but \$17,000,000.

Mr. GRANGER. Not only did I vote for that but I made the motion to strike off the last clause that would make it mandatory that they do it.

Mr. BATES of Massachusetts. In other words, the gentleman wants to jack up the property tax which according to the figures of his own bill will be insufficient to meet the requirements of the District and will add about 70 percent to the tax bill of the property owners in the District of Columbia over the next 3 years.

Mr. GRANGER. The gentleman has not said anything about the whisky tax part of my amendment; I wish he would.

Mr. BATES of Massachusetts. If we included the whisky tax or the alcoholic beverage control tax, it would add only about \$2,000,000.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. GROSS. Did the gentleman give any consideration to making the sale of liquor in the District of Columbia a monopoly handled by the District?

Mr. BATES of Massachusetts. I may say to the gentleman that this is a revenue committee report. The question of making the liquor business in the District of Columbia a state institution is a matter for Congress to determine. We are recommending a revenue bill that has no bearing whatever on the control of the liquor business.

Mr. GROSS. But is it not true there is about \$15,000,000 to \$18,000,000 profit in the liquor business in Washington?

Mr. BATES of Massachusetts. But it is the Congress itself which set up the system under which liquor is sold in the District of Columbia. That is not a revenue measure as far as I can see.

Mr. KLEIN. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mr. KLEIN. The gentleman has stated that if my bill, the income-tax bill, were enacted into law there would still be a deficit of about \$6,000,000 a year; is that correct?

Mr. BATES of Massachusetts. According to the budget officer of the District, if the bill of the gentleman and the several minority members of the District Committee were adopted, there would still be a shortage of \$6,747,000. It is the budget officer who says that.

Mr. KLEIN. That is correct. Now, I want to know from the ranking minority member of the Fiscal Affairs Subcommittee if this committee has given any consideration whatsoever to, call it my bill or call it the bill of any of the other six members who have introduced identical bills which would call for a real income tax in the District—has the gentleman's subcommittee given any consideration to the bills?

Mr. BATES of Massachusetts. We discussed income-tax legislation in the committee from every angle.

Mr. KLEIN. I am talking about my bill now.

Mr. BATES of Massachusetts. Every bill; because, after all—

Mr. KLEIN. Have hearings been held on it?

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. BATES of Massachusetts. Mr. Chairman, I yield myself three additional minutes.

Mr. Chairman, there is only one question involved, or at the most, two, between the gentleman's bill and the present income-tax law. The gentleman broadens the base. That is what we have been trying to do for 10 years. Second, the gentleman doubles the rate. That is the Klein bill.

Mr. KLEIN. That is correct.

Mr. BATES of Massachusetts. But, on the other hand, for 10 years we have been trying to do exactly the same thing but have not been able to get it by the House. What difference does it make whether we took up the Klein bill or any one of the several bills the minority members have filed? Should we enact any one of those bills we would still be short, according to the budget officer, \$6,700,000.

Mr. KLEIN. The gentleman knows his committee never had hearings on any of the bills, never did anything except to take the estimate of the budget officer on how much the bills would produce.

Mr. BATES of Massachusetts. That is the only kind of testimony that can be taken—estimates by experts in the field of municipal taxation.

Mr. KLEIN. That is why I say the gentlemen should have hearings on my bill. If he had hearings on my bill then probably we would get some information on what it would yield; and that is what we want—that information.

Mr. BATES of Massachusetts. According to the mimeograph notice the gentleman from Utah [Mr. GRANGER] sent out, you are going to develop \$15,000,000 from the so-called Klein-Granger income-tax proposal.

Mr. KLEIN. We hope to.

Mr. BATES of Massachusetts. Fifteen million dollars more than you collect under the present law. The budget officer said, however, it is only \$7,800,000 more. There is a difference of over \$7,000,000.

Mr. KLEIN. That is why we ought to have hearings, so that we can see how much can be raised.

Mr. BATES of Massachusetts. We have had hearings. We have discussed it in committee from many angles. The members who are on the committee today are precisely the same members who have been on the committee for the last 6 or 8 years. We have given every study to the income-tax proposal far above any other proposal we have ever had under consideration.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from California.

Mr. MILLER of California. Will the gentleman make clear that out of the

\$18,000,000 deficit \$5,000,000, or approximately \$5,000,000, of that amount is a nonrecurring amount. It will not be there next year. So that we are shooting at a point much higher than is necessary to shoot at in this particular bill.

Mr. BATES of Massachusetts. Of course, we do not speak about a situation 2 years hence. The gentleman is speaking about the retroactive features of the pay increase.

Mr. MILLER of California. That is right. I am talking about that.

Mr. BATES of Massachusetts. We know what we are dealing with today is what is called an austerity budget. We must develop the source of revenue to meet those requirements. Two years from now we will bring in something to fit the requirements of the administration at that time.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, we have heard a great deal about the new bill that has been brought in here, but shake it down as you will and speak about all the compromise you want, it is still a 2-percent sales-tax bill.

We have talked about changing its administration, we have gone into some of the technicalities of the matter, but when again you shake it down the 2-percent vicious, repressive sales tax still comes to the top. It is the cream on the milk.

I inserted in the Record during the last debate a weighted comparison of taxes between Washington and other major cities in its class in the United States. We find that Washington's weighted tax is still \$2 whereas most of the cities were far above that. Many of them were at least twice the amount assessed here in Washington.

We talk about having upped the property values 2 years ago. But for a period of 10 years every city in the country was adjusting its assessed valuation upward and revaluing its property taxes, while at the same time this city stood still. So we are going to forget the accumulated effect of tax rates in the other cities and start gaging Washington by what took place 2 years ago.

May I point out that there is not a city in the United States that I know of that assesses a 2-percent sales tax against its people. One or two have a 1-percent sales tax. In California I do not know of one that assesses more than one-half-percent sales tax. But in those cases—these cities—they have exhausted, and fully exhausted, every other means before they have gone to the sales tax. The States, for the most part, have deserved the revenues put on by a sales tax.

Personally, I find myself handicapped by lack of information. The original bill came to our committee and although I have the highest respect for the gentleman from Massachusetts and the gentlemen who have been on this committee for 10 years, nevertheless my responsi-

bility as a member of the Committee on the District of Columbia is something personal to me and I am not going to vote for a sales tax until I am satisfied in my own conscience it is indispensable.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, the gentleman from Missouri [Mr. JONES] raised the question a short while ago about the amount of Federal contribution to the District. In 1925 it was agreed that a lump sum should be paid for the maintenance of the District for the great, large properties and services that the Federal Government controlled. It was \$9,000,000 in 1925. This year it is \$12,000,000, an increase of only \$3,000,000, and when one considers the tremendous increase in the value of property, and the value of the services, I certainly think it is not out of order to ask that the Federal Government's contribution to be increased by \$5,000,000 more.

When the gentleman from Virginia [Mr. SMITH] left the committee hall 2 weeks ago he said, "Let them find the money," meaning the six minority members of the committee, as well as those who voted against this bill. Now, we have not been given an opportunity to find the money. We were given a bill a few days ago, given about an hour to look at it, and then it was voted through by the same vote that it was voted through 2 weeks ago. We were not given an opportunity to show how we could have raised the money, and by bringing in this same bill again it invites defeat. I am sure the members of this committee will not be content to defeat a bill and then vote for a bill that resembles it a great deal 2 weeks later.

I introduced a bill today to repeal the act of 1878. I have taken it from the Kefauver bill which provides home rule. It will permit the District to borrow for capital developments.

In addition, the gentleman from Massachusetts talked about the tremendous increase in the property tax. If we are going to pay increases for the firemen, policemen and teachers, which bring additional services to the people of the District, they should expect to pay an increase in property tax if they are going to get better protection by the firemen and the policemen, and the children are going to be taught better. According to the figure of the Detroit study on the comparative tax rate of American cities in 1948, it shows in rank of population that Washington is 11th; in rank of assessed valuation it is 7th, and in the size of tax rates in the 20 largest cities, Washington is 18th. So, I do not shed the tears that other Members are shedding about the sad state that the District and the people are in.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield to the gentleman from Ohio.

Mr. HUBER. The gentleman from Missouri said that he could not see how any Member coming from a State which had a sales tax could oppose it for the

District of Columbia. I just want to make the observation that several States have a great many laws that we do not agree with, as, for instance, the State of Nevada, which legalizes overnight divorce, and gambling, and prostitution. We would not suggest we do that to the District of Columbia.

Mr. KENNEDY. I appreciate the contribution of the gentleman from Ohio.

Briefly, what we minority Members want is that this bill be recommitted, that all of us have an opportunity to join in writing a new bill. I am sure we can rely on the gentleman from Massachusetts [Mr. BATES], with his long experience, to help us, as he has been for an income tax for the last 10 years. So at the end of the 2 hours of general debate we are going to ask that the bill be recommitted for further study, and we hope the majority of the members of the committee take advantage of our advice and counsel in writing a new bill.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Suppose the Congress of the United States wanted to consider passing a bill which would authorize the taking over of the sale of liquor in the District by the District government—from what committee would that bill come?

Mr. KENNEDY. I could not tell the gentleman at first hand. I would have to ask the Parliamentarian.

Mr. CRAWFORD. I am serious about this question, by reason of what the gentleman from Massachusetts [Mr. BATES] said a while ago. I should like to have anybody answer it who will. Would that bill come from the Committee on the District of Columbia or some other committee of the House?

Mr. SMITH of Virginia. It would come from the District Committee.

Mr. CRAWFORD. If I understood the gentleman from Massachusetts, he took the position with reference to the question raised by one of the Members that it was not up to that committee to make such a recommendation so the House could consider it. I should like to get this straightened out.

Mr. BATES of Massachusetts. We all know that all matters pertaining to the District must clear through the District Committee, but the report we are making today is the report of the revenue committee, the fiscal subcommittee of the Committee on the District of Columbia. That is what we are speaking for today. If the liquor-control system in the District is going to be changed, then the legislation must be considered by the full committee and then considered by the Congress, both the House and the Senate. This is entirely a revenue matter.

Mr. GROSS. That is not what the gentleman said a while ago. He said it would not come from the District Committee.

Mr. KEEFE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-three

Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 48]

Barden	Hobbs	Pfeiffer,
Battle	Hoffman, Mich.	William L.
Bland	Jenison	Powell
Boggs, Del.	Johnson	Richards
Bosone	Kerr	Riehlman
Buckley, N. Y.	Lanham	St. George
Bulwinkle	Latham	Scott, Hardie
Byrne, N. Y.	Linchan	Smith, Ohio
Canfield	Lodge	Somers
Celler	McGrath	Stanley
Coudert	McKinnon	Stefan
Davenport	McSweeney	Stigler
Davies, N. Y.	Macy	Taber
Davis, Tenn.	Madden	Taylor
Dawson	Merrow	Thomas, N. J.
Dingell	Miller, Nebr.	Welchel
Durham	Morrison, La.	Werdel
Fellows	Morton	Whitaker
Forand	Norrell	White, Idaho
Gilmer	Norton	Wolcott
Gore	O'Brien, Mich.	Woodruff
Hand	O'Toole	Worley
Harden	Pfeiffer,	Young
Harrison	Joseph L.	

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. Boggs of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 3704, and finding itself without a quorum, he had directed the roll to be called, when 360 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER pro tempore. The Committee will resume its sitting.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, it is my hope, if the legislative program that I have in mind is put through between now and April 14, to take a 10-day recess starting the evening of April 14, and ending a week from the following Monday, April 25. I want to publicly state that the membership of the House has been very cooperative with me as majority leader, not only in this session, but during the 6 years plus that I was majority leader before. We, on the Democratic side, tried to cooperate with the Republican leadership in the last Congress. The leadership on both sides always cooperates with each other very effectively and to the maximum extent possible without regard to what party is in control. I want to publicly state this fact to the country, that we in the House have done a remarkable job this year to date. I want to take the House into my confidence as to my intention, and I might say that the chances now are 98 out of 100 that we might be able to take that 10-day recess.

The pending bill is one that should pass in some form between now and April 14. The Committee on the District of Columbia has considered all types of tax legislation for the District. One thing is certain: We cannot write a tax bill on the floor of the House, any more than we can write a tariff bill or a general pension bill. Only last week we had that experience in connection with a

general pension bill. Those who remember 1933 remember when a tax bill came out of the Committee on Ways and Means, the main part of it was stricken out, and then unofficially members of the Committee on Ways and Means were meeting to bring in tax recommendations, because we had to raise a certain amount of money. I have often attributed to that bill many of the inequities that exist, particularly with reference to our miscellaneous taxes.

This bill has come out of the committee. The committee has given serious consideration to it. I am not talking about an amendment here and there, I am talking about the body of the bill. You cannot overturn a committee on a tax bill, whether national or for the District of Columbia, and undertake to write it on the floor of the House, without having legislative uncertainty if not legislative chaos.

As far as I am concerned, the committee has done the best job possible, and it is my intention to support the bill of the committee. I recognize and respect the views of my friends and colleagues who might differ with me, but we have a responsibility here. The District of Columbia is in a sense different from the country at large. We come here as Members of Congress and find ourselves members of the legislative body of the District of Columbia and members, in a sense, of the city government of the city of Washington. This is not a city affair, it is a District affair. While the city of Washington is the same geographically as the District of Columbia, we are legislating for the District of Columbia which, under our law and our Constitution, is a separate entity. While it does not enjoy statehood, nevertheless, under the Constitution, it is a geographical entity in itself. I consider that we are justified in viewing this legislation in an entirely different way than if we were considering legislation to impose a sales tax on a city. For example, New York City itself has a sales tax, showing the extreme to which cities must go when it is absolutely impossible to obtain otherwise the revenue necessary to render essential services to the people of a city.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Utah.

Mr. GRANGER. I am glad to hear the distinguished majority leader say he is supporting the committee. Is not his attitude generally to support a committee that brings out a bill?

Mr. McCORMACK. Would the gentleman expect me to fail to support a bill out of his committee?

Mr. GRANGER. The only thing I want the gentleman to remember as majority leader is that the Committee on Agriculture has reported out an oleo bill, 14 to 3, and I shall expect the gentleman to support it wholeheartedly.

Mr. McCORMACK. Of course, the oleo bill to which the gentleman refers is contrary to the administration recommendation, so there is a clear line of distinction between that bill and this bill. My purpose now is simply to em-

phasize to the Committee of the Whole the impossibility of destroying this bill and then expecting to write it on the floor. To recommit the bill would, in my opinion, be unwise. We have to meet this situation and we should meet it by the passage of tax legislation. This bill has been soundly considered and I think we should support it. I hope it will pass.

Further, there is the question of the increase in salaries for the 16,000 to 18,000 employees of the District of Columbia which depends on the passage of this bill. I hope on the final roll call the bill will pass this body.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. CHELF].

Mr. CHELF. Mr. Chairman and my colleagues of the Committee, I have listened to this debate here very carefully today and I am of the opinion that we in the Congress would really help the people here out of their tax dilemma by increasing the assessed valuation on real property and by plugging up some of the loopholes which now exist in the District income-tax structure. For these reasons I shall support the Granger amendment. Let us make no mistake about it, and let us not kid ourselves—we have many folks here who ought to pay either a State income tax or a District income tax. Personally, I pay my home State of Kentucky income tax and the Federal Government, but there are a lot of residents in the District who are dodging all income tax save the Federal income tax. I just cannot be brought on this occasion this afternoon to think that the school youngsters of this Nation who visit our Capital, ought to be forced to pay for the privilege. We ought to make it easier for them to come here—not create obstacles for them to overcome. A sales tax would be equivalent to an admission tax to see the District. There is not a great deal that I can say in 2 minutes against the sales-tax plan but here is a little jingle that I have jotted down that certainly expresses my sentiments:

Washington, our Capital, needs revenue we are told.

So we'd tax the school kids who visit here to reach the needed goal.

Yes, we invite the youngsters to visit us, but we'd charge for the invitation, By collecting taxes from them upon reaching Union Station.

We'd tax our guests who visit us—we'd tax them unjustly, I fear.

We'd tax 'em just simply because they foolishly stopped o'er here.

Why not build a wall around the town and charge admission daily?

Then we can pitch up circus tents and compete with Ringling, Barnum & Bailey.

There should be no charge for the privilege of seeing and visiting the greatest Capital in the world—it belongs to America—to all 48 States. Let us keep the welcome mat out and not charge our guests an admission price. Let us raise the taxes here locally and if there is a deficit due to the fact that the United States Government owns so much property that is tax-free—then I'll support an appropriation to make up the difference. It has been done in the past—why not now?

Mr. BATES of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, there is one provision in this bill which I think is unfair. I regret the committee saw fit to write it into the bill. You will find this provision at the top of page 55 of the bill, and also at the bottom of page 9 of the committee report.

That language is as follows:

The rental of real and personal property shall be deemed a trade or business within the meaning of this article.

That provision flies in the face of existing law. It also flies in the face of Supreme Court decisions, and in the face of a ruling made by the Board of Tax Appeals for the District of Columbia. Let us make a personal application of what that language means. Suppose the distinguished gentleman, the chairman of this committee the gentleman from Virginia [Mr. SMITH], owns a vacant lot in the District of Columbia, which he rents to somebody for parking automobiles. If that language stays in the bill, he would be obliged to pay a trade, business, or franchise tax, on the income although all that he does is to make a lease to somebody to manage and operate that vacant lot. Suppose that the lot is worth \$100,000.

Suppose instead of owning a vacant lot, the gentleman from Virginia owns bonds worth \$100,000 of the Potomac Electric Power Co. The only excuse they have for seeking to tax the man that owns the real estate and simply rents it is that the income from that property is derived from sources within the District of Columbia.

But suppose the distinguished gentleman from Virginia owns bonds of the Potomac Electric Power Co., where the sources of income for the payment of the interest on those bonds comes from within the District of Columbia. He would not be taxed for a franchise tax or a business tax, as provided in the bill. On the vacant lot that he rents for a parking space he would be taxed.

It so happens that one of the large hotels in Washington is owned by an individual or some individuals in the State of California. Those men rent this hotel. They have nothing to do with its management or operation. If this language becomes law, they, too, living 3,000 miles away from the District of Columbia, will be deemed to be engaged in a business or a trade here in the District, even though they simply rent the property. If they owned bonds, in the example previously given, they would not be so taxed.

The Supreme Court of the United States for nearly 40 years has consistently held that the simple renting of real estate cannot be construed as a trade or business. So this language is adverse or contrary to established law, and it is also contrary to a ruling made by the Board of Tax Appeals for the District of Columbia.

I want to vote for a bill that will bring needed revenue to the Government of the District of Columbia, but I do not think it just or wise that we should write into law a provision of this kind and do an unjust

thing to the property owners of the District who may not live here, on the ground that renting property here is a trade or business. I am well aware that, if a corporation owned that same property, the way the law now reads in the District of Columbia it would be so taxed; but an individual would not be taxed unless this provision becomes law. I think it is unjust and I believe the committee ought to be willing to take that section out of the bill.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. HARRIS. It is my understanding that the gentleman has stated the real purpose of including this language in the bill in order that an unincorporated individual or group that is in business, just as the incorporated group, will have the same tax on property that perhaps adjoin.

Mr. DONDERO. Does the gentleman not admit, however, that it is stretching the meaning of words in construing and interpreting language to say that a man is in a business or in a trade in the District of Columbia simply because he owns something in the District of Columbia?

The CHAIRMAN. The time of the gentleman from Michigan [Mr. DONDERO] has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. KLEIN].

DISTRICT OF COLUMBIA REVENUE PROBLEM NOT FULLY CONSIDERED

Mr. KLEIN. Mr. Chairman, I am sorry that the gentleman from Massachusetts, the beloved majority leader [Mr. McCORMACK], took the floor and appealed to the Members to support this legislation. I believe he is a very busy man, and I regret to say that I do not believe the gentleman knows the full import of the bill nor of what is going on. The gentleman says a tax bill should not be written on this floor, and I agree with him. It is too bad, but it is necessary to take such action here. However, let me tell you, as a member of this committee, exactly what has happened with regard to this bill.

We were called 2 weeks ago today, and the bill was defeated. There was a great deal of talk about its being brought up again. Finally, one day last week, each member of the committee received a notice that there would be an executive session of the Committee on the District of Columbia to consider this legislation, and also to consider the pay-raise bill.

Mr. KEOGH. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. KEOGH. Reference was made to the sales tax in the city of New York. I am sure I do not have to call the gentleman's attention to the fact that that sales tax was originally imposed solely for the purpose of raising funds for relief. It has been 6 or 7 years since any of the proceeds of that tax have been devoted to that original purpose.

Mr. KLEIN. I thank the gentleman, and I agree with him. That always happens with a sales tax. It is easy to put it over on the people, and once it is on

it is a hidden form of taxes and they feel that the cost of living has gone up and they continue to pay it.

Mr. KEOGH. The city of New York still has a sales tax.

Mr. KLEIN. That is correct, but it was cut in half; it was originally 2 percent, but it is now 1.

Mr. BREHM. One correction, if the gentleman will permit; this is not a hidden tax, a sales tax is not a hidden tax.

Mr. KLEIN. One thing I want to make perfectly clear is the lack of consideration. Very little consideration was given to it. There is very little difference between the bill before us today and the bill we were struggling with 2 weeks ago. The bill has been brought out today for a purpose, and it is very obvious that the committee would not have brought the bill out if they did not think they could pass it. They have changed it very little. Actually it remains the sales tax which, as has been brought out time and time again, is the most unfair type of tax there can be.

I want to point out to the committee that when this came up the committee was called to meet at 10 o'clock in this morning. That was last Thursday. You will recall that at that time we had veterans' legislation under consideration and the House met at 11. If we had met promptly at 10 o'clock there would at most have been but an hour available to the committee. As a matter of fact, however, as is usually the case, we did not meet promptly at 10 o'clock and the result was that about half an hour was all the time available for consideration of the bill; we could not get any more time. We asked the chairman—and I do not think I am giving away any secrets, I am sorry if I do—but I told the chairman and the other members of the committee at that meeting that I would take this attitude on the floor.

We who opposed the sales tax, a proposition that had been defeated in the House only 2 weeks ago, had but 10 minutes, or at most 15. The bill was railroaded through the committee. I say to our beloved majority leader that because you vote down legislation of that kind does not necessarily mean that you are doing it against the committee.

I also want to point out the lack of consideration by the Subcommittee on Fiscal Affairs of other revenue-raising measures. I do not say that they did not go into the question; nevertheless, specifically, there were never any hearings held on the income-tax phase of this bill; nothing has been said here about the Federal contribution which is a very important item to be taken into consideration. The Federal Government occupies buildings in the District of Columbia, which, if they had to pay taxes on at the \$2 rate, the old tax rate, would yield the District government between \$16,000,000 and \$17,000,000. The least the Federal Government should do is to pay the District of Columbia that much revenue. Instead of that the Federal contribution is only \$12,000,000; the amount which should be paid is reduced by \$4,000,000. I believe the total Federal tax liability would amount to much more than that.

These are two sources that I believe would be more than sufficient; we should not need any other tax if we had a good fair income tax and if the Federal Government paid its fair share to the District of Columbia. The only argument against the income tax is that it has been opposed in the past, that the House has refused to pass it. But, by the same argument, the sales tax has been defeated, and I believe sincerely that it is going to be defeated again. With the same sincerity, I believe that if given an opportunity this Congress—and I make the point that this Congress has had no opportunity to vote on an equitable income-tax measure divorced from a sales tax—can and will pass an equitable universally applied income tax with just provisions to avoid double taxation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman—

Mr. BREHM. Mr. Chairman, will the gentleman yield to permit me to make a very short statement?

Mr. HARRIS. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. BREHM. I wish to correct one statement made by the gentleman from New York [Mr. KLEIN]. The gentleman from New York referred to the sales tax as a hidden tax. The sales tax is one of the few taxes that is out in the open; there is not anything hidden about it, and it makes those who pay it conscious that they are paying something.

Mr. HARRIS. Mr. Chairman, I recognize that we have an issue here today that always stirs the minds and hearts of the people when brought up. I think there is nothing about which the people are more conscious than the question of taxation, particularly when it comes to increasing the burden. I believe we all recognize that people throughout the country are tax conscious, and I think we all recognize that real difficulty has arisen in connection with meeting budgets and financing municipalities, particularly the large metropolitan cities of this country. We have that question here today within the District of Columbia. I regret exceedingly to find myself in disagreement with a number of my colleagues. I know they are sincere in opposing revenue measures of this kind, I recognize they are sincere when they try to impose a different type or a different method of revenue raising. But the important thing, Mr. Chairman, is that today we all recognize there must be some revenue from some source. I do not think there is a man on this Committee, and I daresay in the House of Representatives, who does not recognize the fact that for the District of Columbia we must have some sources of revenue somewhere.

We have had this budget issue before us for 3 years trying to do something about it somehow, some way. I recognize it has not been so long since we had an income tax proposal here and I think most Members recall the fact that the House voted overwhelmingly against

a substantial income tax on everyone residing in the District of Columbia. We have had before the House a number of times the question of increasing the Federal payment to the District of Columbia, and I think the members of this Committee know the attitude of the Members of the House in that regard generally.

We have a revenue measure here that proposes to bring in \$18,000,000 to meet the needs of the District of Columbia. I admire and respect greatly the gentleman from New York and I am sorry we are at differences here today, but he would try to tell this Committee that they did not get a fair hearing before the Committee on the District of Columbia. For 3 years we have been trying to write a revenue measure. Again we had in this Congress a joint hearing before the committees of the House and Senate. All phases of these measures were given fair hearing and consideration.

We saw a practical situation and the answer that we got out of it was the sales-tax approach. The Congress did act on the sales-tax proposal that was presented 2 weeks ago. Unfortunately I was not here and I am therefore not familiar with the debate that took place at that time. But recognizing that there is a need, the committee went back and tried its best to meet that need. We have the answer here today, the best we could agree on in our committee and that is to bring back a different approach to the sales-tax method by the real estate property tax being increased 15 cents a hundred, also to adjust the base of the income tax and to provide some measure of tax from the liquor industry. That is the compromise agreement, that is the method by which we propose to meet the needs of the District here today.

If we do not do that we are going to have to get it out of the Treasury of the United States instead of from taxes collected from the people of the District of Columbia.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I yield 8 minutes to the gentleman from Iowa [Mr. TALLE].

Mr. TALLE. Mr. Chairman, inasmuch as the time allotted to me is very short, I shall appreciate it if I may be permitted to complete my statement without interruption.

When, as Members of Congress, we took our seats on the 3d of January, we assumed three obligations. In the first place, we assumed the obligation of making laws for the Nation; in the second place, we agreed to be aldermen for the District of Columbia; and, in the third place, we agreed to be the guardians of all Indians who are wards of the state.

Today we are engaged in the discharge of the second responsibility. May I say that I did not ask for the privilege of serving on the Committee for the District of Columbia. I worked at the task in 1947 and 1948, and I am working at it now. So far as I am concerned, I intend to discharge this responsibility to the best of my ability. I say to you that we owe a debt of gratitude to the gentleman from Massachusetts [Mr. BATES], who served as chairman of the Fiscal Affairs

Subcommittee in 1947 and 1948, and I want to pay tribute to the gentleman from Virginia, Judge SMITH, who is serving as chairman of this same subcommittee in the current session. I have found that the members of this committee are eager to discharge their responsibilities to the Congress and to the Nation.

I recall that during the discussions of tax bills in this Chamber one principle particularly has been stressed—the principle of ability to pay. I agree with that principle. It is a good one. But like any good horse, it can be worked to death. It would be very easy to drive that principle to the point where our Republic could be destroyed. For, if all the money that would normally be used as a capital fund to promote enterprise is taken by Government, just where are people's jobs going to come from? So, I say, I believe in the principle of ability to pay.

I now call your attention to another principle of taxation which is fully as old as the principle of ability to pay. I refer to the principle of taxation according to benefits. Now, may I ask you, what benefits do the people enjoy in the District of Columbia? We enjoy the benefits of the schools of this city. Then, shall we not see to it that our teachers are paid so well that we encourage persons of genuine ability to teach our children? Scripture says, "Train up a child in the way he should go; and when he is old, he will not depart from it." Education is certainly important to everybody.

Every morning as I leave my humble lodgings I see men in blue standing at the crossing. They see to it that the little children who are crossing the street to the schoolhouse on the other side may do so in safety. Certainly, we want to protect our children here in the Nation's Capital. And I, for one, believe we should pay our policemen wages that will attract and hold men of high caliber.

Then again, we enjoy the benefit of fire protection. There is seldom a day when I do not hear that familiar siren and see the red wagons racing down some street. Later, perhaps I may read in the newspapers that this fireman or that fireman was injured in the course of his duties. Certainly, those men perform a service that is of benefit to everybody.

Furthermore there are the services of health and sanitation. I could go on and recite a great many additional items, all of which enter into the maintenance of law and order in a civilized, cultured community. I do not believe there is anyone so poor in the District of Columbia that he cannot pay some small pittance in return for these benefits.

Suppose a person spends \$500 on taxable items; 2 percent of that is \$10. Is there anyone so mean that he would not pay \$10 for the enjoyment of the benefits I have mentioned?

Now, Mr. Chairman, may I comment on the advantages of the sales tax. It is a good revenue-getter. I know that to be true from actual experience in the State of Iowa. In addition, the flow of income is regular. I contend that the sales tax as a part of a comprehensive tax program will stand up as well as any tax, under whatever maxims of taxation may be used for the test—whether they be

those set forth by Adam Smith in his *Wealth of Nations*, or any other set of maxims that have gained general recognition.

I admit there is the weakness of "easy come, easy go." In other words, "easy come" may be a temptation to easy spending. But that is where your responsibility and mine enters. I intend to do my duty to see to it that we have the kind of administration in this community which will warrant the collection of a sales tax. It shall not be "easy come, easy go" insofar as I am concerned, but "easy come," and most carefully expended.

Mr. Chairman, let me say, finally, that if this were the only tax imposed in the District of Columbia, you may be sure I would fight it to the last ditch. I know it is a greater burden to those with lower incomes than to those with higher incomes. But on the other hand, this is true of many other taxes—excises, licenses, fees, auto tags, and so forth. I could cite a dozen instances of a similar nature offhand. I would not advocate the sales tax as the only source of revenue for the District of Columbia. It is not offered as a single tax. The committee advocates this tax in addition to other taxes on business, property and income. The over-all program of the committee recognizes not only the principle of ability to pay but also the principle of benefits enjoyed.

Mr. Chairman, I urge the enactment of the pending bill.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, in writing a bill of this character and trying to produce additional revenue for the District of Columbia, it has been stated previously here this afternoon in the discussion in consideration of the daylight-saving-time proposal that we were setting a pattern for the Nation, and that is exactly what we are doing here in this proposal.

A sales tax as such is a proposal that should be considered only after all other sources of revenue have been tapped sufficiently. It has been stated in general debate this afternoon that in the case of the property tax, in the case of the income tax with a broader base, and in the case of the alcoholic-beverage tax, we have not in this committee exhausted or tapped those potential sources of additional revenue, but instead have been taking the alternative of going to the sales tax as the way out of our present dilemma.

Time does not permit me to go into a lengthy analysis of the comparative tax rate of the cities of the United States, some 343 in number, with populations of 30,000 or more, wherein the assessments and the tax rates are graded and adjusted accordingly. I refer to a publication entitled "Comparative Tax Rates of American Cities—1948." We find that among the cities in this classification the District of Columbia is very low; in fact, \$20 per thousand is the rate here in the District, and the proposed bill increases it 7½ percent to \$21.50 per thousand, whereas in Atlantic City, N. J., it runs up

as high as \$71.60 per thousand, and in other cities of comparable size to the District of Columbia, it is considerably higher. In the case of my own particular area in the city of Pittsburgh the ad valorem rate is \$40.10 per thousand, and in the city of Boston, Mass., it is \$53.40 per thousand. These figures are all adjusted tax rates on 100 percent basis of assessment.

We have the machinery already set up for these additional sources of revenue to the property tax, the income tax, and the alcoholic-beverage tax. Tax-return forms are available. By contrast a sales tax involves enactment not only of a new statute but also hundreds of supplementary regulations; purchasers, and especially sellers of taxable items, must learn the intricacies of the new tax, a whole new personnel must be trained, and a new administrative office must be set up.

And worst of all, you endorse the idea basically of a Federal-city sales tax in contradiction to the Democratic platform of 1948. We are again faced with the dilemma of putting a tax upon those people in the low-income brackets who are already the chief victims of inflation. If this sales-tax plan goes through, they will be taxed still further because this plan hits those in the low-income brackets to a greater extent than the people in the upper income brackets.

Thirdly, it has been stated here that we have promised a \$330-across-the-board increase to the teachers, policemen and firemen of the District and that if we do not secure the additional revenue, they will be left out in the cold. Nothing is further from the truth, because the committee will have adequate time to go into the question of these sources of revenue and report a tax bill to cover the increased proposals of such a bill.

An editorial appeared in the Washington Post this morning and I believe that this gives the tip-off on this bill.

The caption on this editorial is: The Sales Tax Again. The following is a sentence in that editorial: "We hope that the House will rise to this bait and vote for the sales tax." In other words, they have here offered a little bait on this proposal, hoping that it will pass. There is an old statement that "You can catch more flies with sugar than you can with salt."

All that the committee has done is to bring this bill back providing for this regressive sales-tax plan, with a little sugar-coating on it, hoping that the House will accept it as a little more bait. I think we have reached a dire predicament when we come to such a point.

As much as I dislike to disagree with the members of the committee, and with my majority leader, I believe we should vote this sales-tax plan down and recommit the bill for further study.

Mr. BATES of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. AUCHINCLOSS].

Mr. AUCHINCLOSS. Mr. Chairman, the District of Columbia is up against a pretty tough proposition financially. There is no doubt about that. Something has to be done, and done soon.

When this bill came before the House a week or so ago I spoke against the sales tax. I still am against the sales tax. I think it is the last kind of tax to impose on any community.

But I have had a little time to study this particular situation and the condition of affairs in which the District finds itself. I have talked to some members of the committee, and now I am convinced that the only thing left for us to do is to vote for this sales tax and impose it on the District of Columbia. I think it is really an emergency measure. I think it is something we have to meet and something we cannot avoid.

Other possible taxes have been considered by the committee. I earnestly hope that later on they may be further considered and in another year this sales tax may be taken off.

But at this moment it is necessary to maintain the good name of the District of Columbia and make it possible for it to meet its obligations and to go ahead with the planning and work which must be done.

For that reason, with reluctance, I may say, I am going to support this measure.

Mr. BATES of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, as a member of the Appropriations Committee, it was my privilege for 4 years to review the budget of the District of Columbia. While I am no longer a member of the subcommittee that reviews the budget every year, I do have an interest in the government of the District of Columbia and its problems.

I have seen quite a number of men, including the gentleman from Massachusetts [Mr. BATES], who have come to the reluctant conclusion that a sales tax is the only adequate answer, all things considered, for the revenue problems of the District of Columbia.

Two years ago the gentlemen from Massachusetts [Mr. BATES], held extended hearings and investigations into all forms of revenue measures that might be used to meet the growing unbalance in the budget of the District of Columbia. It was following those exhaustive hearings that he arrived at his conclusion.

I trust that the Members of the House will pass this measure, because this Nation's Capital needs additional revenue, and the bill which the gentleman from Virginia, Judge SMITH, and the gentleman from Massachusetts [Mr. BATES], have brought out here will adequately meet the present needs of the District of Columbia.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. KENNEDY. Mr. GRANGER will offer a substitute that will be adequate that does not contain a sales tax.

Mr. HORAN. I trust that the House will support the committee and not try to write this legislation on the floor of the House.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. JENNINGS. I have listened with great interest to the well considered and

informative statement of the gentleman from Washington, and I am happy to say that I am in entire accord with him. We must take care of the school children and the people who live in this city. I think the sales tax is a painless way of doing it.

Mr. HORAN. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Chairman, I thoroughly respect the different opinions that may exist on the present bill, but I do want to reiterate the fact that this rather thick pamphlet represents the hearings which were held during the Eightieth Congress, by the fiscal subcommittee upon the problem of the fiscal affairs of the District of Columbia.

I think the committee spent approximately 2 months during the last year and the year before on this whole tax problem. The Fiscal Affairs Subcommittee this year has spent approximately 3 weeks or a month in additional findings upon the present affairs of the District of Columbia, bringing them down to date. I appreciate the fact that some of our distinguished colleagues who oppose this bill are for recommitment. They are not for reporting out any kind of a solution of the fiscal affairs of the District of Columbia. That is their privilege. I appreciate their frankness in making that comment, that they are in favor of returning the bill for further study. That solves nothing.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I prefer not to yield at this time.

Mr. GRANGER. That is not my position.

Mr. O'HARA of Minnesota. I appreciate the gentleman's statement. But they are just against this bill being brought out in any form. I may say that the other bill came out of the committee about 20 to 6. In other words, 20 voted for the bill and 5 or 6 against it. As the majority leader said, the committee has given a great deal of thought and study to this matter. They have called in various local people who have testified before the committee. Their testimony has been weighed. Many of the provisions imposing a tax are against certain people or certain groups, in their viewpoints in the District of Columbia. The committee has had the same kind of over-all problem that faces the Committee on Appropriations of the House in the matter of appropriations, or that faces the Committee on Ways and Means in dealing with the great revenue problems of the Nation in trying to arrive at what is a fair, a decent, and an equitable fiscal bill. I was one of those who supported the salary increase of the employees of the District of Columbia, the firemen, the teachers, and policemen. To make that \$330 pay raise retroactive for the last fiscal year, or to provide an additional \$330 per employee for the next fiscal year is impossible without this bill; there is no alternative.

Some of the Members who oppose this bill I am sure feel they speak for labor,

but I want to speak for labor also. I think our District employees are entitled to that increase. I hope the Members will defeat these amendments and pass the bill substantially as it has been reported by the committee.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. McMILLAN of South Carolina. Mr. Chairman, I yield myself 1 minute.

The CHAIRMAN. The gentleman from South Carolina is recognized.

Mr. McMILLAN of South Carolina. Mr. Chairman, I wish to take this brief time to congratulate the members of the Subcommittee on Fiscal Affairs for their excellent work in dealing with the fiscal and revenue problems of the District of Columbia. We are at this time confronted with a reality, not a theory. It is my earnest hope that this House will pass this revenue bill. We of the committee are bound to be controlled by the majority. I believe I state the views of the majority members of our committee when I say that while there is no painless way of taxing the people of the District of Columbia or any other place, yet we feel that the sales tax is the most painless one that can be levied, and the desire of the majority of the committee.

Mr. Chairman, we have no further requests for time on this side.

Mr. BATES of Massachusetts. Mr. Chairman, we have no further requests for time.

The Clerk read as follows:

Be it enacted, etc., That this act divided into titles and sections may be cited as the "District of Columbia Revenue Act of 1949" and title I of this act may be cited as the "District of Columbia Sales Tax Act" and title II of this act may be cited as the "District of Columbia Use Tax Act."

TITLE I—GROSS SALES TAX

DEFINITIONS

SECTION 1. "Assessor" means the Assessor of the District or his duly authorized representatives.

SEC. 2. "Business" includes any activity engaged in by any person or caused to be engaged in by him with the object of gain, benefit, or advantage, either direct or indirect.

SEC. 3. "Collector" means the Collector of Taxes of the District or his duly authorized representatives.

SEC. 4. "Commissioners" means the Commissioners of the District or their duly authorized representatives.

SEC. 5. "District" means the District of Columbia.

SEC. 6. "Engaging in business" means commencing, conducting, or continuing in business, as well as liquidating a business when the liquidator thereof holds himself out to the public as conducting such a business.

SEC. 7. "Food" means cereals and cereal products; milk and milk products, including ice cream; meat and meat products; fish and fish products; eggs and egg products; vegetables and vegetable products; fruit, fruit products, and fruit juices; bottled soft drinks; spices and salt; flavoring extracts and condiments; sugar and sugar products; coffee and coffee substitutes; tea; cocoa and cocoa products; and ice when used for household consumption: *Provided, however,* That the word "food" shall not include spirituous or malt liquors, beer, and any other beverages such as are ordinarily dispensed at bars and soda fountains or in connection therewith.

SEC. 8. "Gross receipts" means the total amount of the sales prices of the retail sales

of vendors, valued in money, whether received in money or otherwise.

SEC. 9. "Person" includes an individual, partnership, society, club, association, joint-stock company, corporation, estate, receiver, trustee, assignee, or referee, and any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination of individuals acting as a unit.

SEC. 10. "Purchaser" includes a person who purchases property or to whom are rendered services, receipts from which are taxable under this title.

SEC. 11. "Purchaser's certificate" means a certificate signed by a purchaser and in such form as the Assessor shall prescribe, stating the purpose to which the purchaser intends to put the subject of the sale, or the status or character of the purchaser.

SEC. 12. "Retailer" includes—

(a) every person engaged in the business of making sales at retail;

(b) every person engaged in the business of making retail sales at auction of tangible personal property owned by the person or others;

(c) every person engaged in the business of making sales for storage, use, or other consumption, or in the business of making sales at auction of tangible personal property owned by the person or others for storage, use, or other consumption.

SEC. 13. "Retail establishment" means any premises in which the business of selling tangible personal property is conducted or in or from which any retail sales are made.

SEC. 14. (a) "Retail sale" and "sale at retail" mean the sale in any quantity or quantities of any tangible personal property or service taxable under the terms of this title. Said term shall mean all sales of tangible personal property to any person for any purpose other than those in which the purpose of the purchaser is to resell the property so transferred in the form in which the same is, or is to be, received by him, or to use or incorporate the property so transferred as a material or part of other tangible personal property to be produced for sale by manufacturing, assembling, processing, or refining. For the purpose of the tax imposed by this title, these terms shall include but shall not be limited to the following:

(1) The sale for consumption of any meals, food or drink, or other tangible personal property for a consideration, at any restaurant, hotel, drug store, club, resort, or other place at which meals, food, drink, or other tangible personal property are sold.

(2) Any production, fabrication, or printing of tangible personal property on special order for a consideration.

(3) The sale or charges for any room or rooms, lodgings, or accommodations furnished to transients by any hotel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients for a consideration.

(4) The sale of natural or artificial gas, oil, electricity, solid fuel, or steam, when made to any purchaser for purposes other than resale or for use in manufacturing, assembling, processing, or refining.

(5) The sale of material used in the construction, and of materials used in the repair or alteration, of real property, which materials, upon completion of such construction, alterations, or repairs, become real property, regardless of whether or not such real property is to be sold or resold.

(6) The grant of the right to continuous possession or use of any article of tangible personal property granted under a lease or contract if such grant of possession would be taxable if outright sale were made; in such event such lease or contract shall be considered the sale of such article and the tax shall be computed and paid by the vendor upon the rentals paid.

(b) The term "retail sale" and "sale at retail" shall not include the following:

(1) Sales of tickets for admission to places of amusement and sports.

(2) Sales of transportation and communication services.

(3) Professional, insurance, or personal-service transactions which involve sales as inconsequential elements for which no separate charges are made.

(4) Any sale in which the only transaction in the District is the mere execution of the contract of sale and in which the tangible personal property sold is not in the District at the time of such execution: *Provided, however,* That nothing contained in this subsection shall be construed to be an exemption from the tax imposed under title II of this act.

SEC. 15. "Return" includes any return filed or required to be filed as herein provided.

SEC. 16. (a) "Sales price" means the total amount paid by a purchaser to a vendor as consideration for a retail sale, valued in money, whether paid in money or otherwise, without any deduction on account of any of the following:

(1) The cost of the property sold.

(2) The cost of materials used, labor or service cost, interest charged, losses, or any other expenses.

(3) The cost of transportation of the property prior to its sale at retail. The total amount of the sales price includes all of the following: a. Any services that are a part of the sale; b. Any amount for which credit is given to the purchaser by the vendor.

(b) The term "sales price" does not include any of the following:

(1) Cash discounts allowed and taken on sales.

(2) The amount charged for property returned by purchasers to vendors upon rescission of contracts of sale when the entire amounts charged therefor are refunded either in cash or credit, and when the property is returned within 90 days from the date of sale.

(3) The amount charged for labor or services rendered in installing or applying the property sold.

(4) The amount of reimbursement of tax paid by the purchaser to the vendor under this title.

(5) Transportation charges separately stated, if the transportation occurs after the sale of the property is made.

SEC. 17. "Sale" and "selling" mean any transaction whereby title or possession, or both, of tangible personal property is or is to be transferred by any means whatsoever for a consideration by a vendor to a purchaser, or any transaction whereby services subject to tax under this title are rendered for consideration or are sold to any purchaser by any vendor, and shall include, but not be limited to, any "sale at retail" as defined in this title. Such consideration may be either in the form of a price in money, rights, or property, or by exchange or barter, and may be payable immediately, in the future, or by installments.

SEC. 18. "Semipublic institution" means any corporation, and any community chest, fund, or foundation, organized exclusively on a nonprofit basis for religious, charitable, or educational purposes, including hospitals, and operated on a nonprofit basis for such purposes. For the purpose of this title an organization or institution which does not embrace the generally recognized relationship of teacher and student shall be deemed not to be operated for educational purposes.

SEC. 19. "Tangible personal property" means corporeal personal property of any nature.

SEC. 20. "Tax" means the tax imposed by this title.

SEC. 21. "Taxpayer" means any person required by this title to make returns or to pay the tax imposed by this title.

SEC. 22. "Tax year" means the calendar year, or the taxpayer's fiscal year if it be other than the calendar year when such fiscal year is regularly used by the taxpayer for the purpose of reporting District income taxes as the tax period in lieu of the calendar year.

SEC. 23. "Vendor" includes a person or retailer selling property or rendering services upon the receipts from which a tax is imposed under this title.

SEC. 24. The foregoing definitions shall be applicable whenever the words defined are used in this title unless otherwise required by the context.

IMPOSITION OF TAX

SEC. 25. Beginning on and after the first day of the first month succeeding the sixtieth day after the approval of this act, for the privilege of selling certain tangible personal property at retail sale and for the privilege of selling certain selected services defined as sales at retail in this title, a tax is hereby imposed upon all vendors at the rate of 2 percent of the gross receipts of any vendor from the sale of such tangible personal property and services.

REIMBURSEMENT FOR THE TAX

SEC. 26. Reimbursement for the tax imposed upon the vendor shall be collected by the vendor from the purchaser on all sales the gross receipts from which are subject to the tax imposed by this title so far as it can be done. It shall be the duty of each purchaser in the District to reimburse the vendor, as provided in section 27 of this title, for the tax imposed by this title. Such reimbursement of tax shall be a debt from the purchaser to the vendor and shall be recoverable at law in the same manner as other debts.

RATE OF TAX TO BE COLLECTED BY VENDOR

SEC. 27. For the purpose of collecting his reimbursement as provided in section 26 of this title insofar as it can be done and yet eliminate the fractions of a cent, the vendor shall add to the sales price and collect from the purchaser the following amounts:

(a) On each sale where the sales price is from 14 cents to 63 cents, both inclusive, 1 cent;

(b) On each sale where the sales price is from 64 cents to \$1.13, both inclusive, 2 cents;

(c) On each 50 cents of sales price or fraction thereof in excess of \$1.13, 1 cent.

EXEMPTIONS

SEC. 28. Gross receipts from the following sales shall be exempt from the tax imposed by this title:

(a) Sales to the United States or the District or any instrumentality thereof.

(b) Sales to a State or any of its political subdivisions if such State grants a similar exemption to the District. As used in this subsection, the term "State" means the several States, Territories, and possessions of the United States.

(c) Sales to a semipublic institution: *Provided, however*, That such sales shall not be exempt unless (1) such institution shall have first obtained a certificate from the Assessor stating that it is entitled to such exemption, and (2) the vendor keeps a record of the sales price of each such separate sale, the name of the purchaser, the date of each such separate sale, and the number of such certificate.

(d) Sales of food for human consumption off the premises where such food is sold.

(e) Sales of motor-vehicle fuels upon the sale of which a tax is imposed by the act entitled "An act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes," approved April 23, 1924, as amended or as may be hereafter amended.

(f) Sales of property purchased by a utility or public-service company for use or consumption in furnishing a commodity or

service: *Provided*, That the receipts from furnishing such commodity or service are subject to a gross-receipts or mileage tax in force in the District during or for the period of time covered by any return required to be filed by the provisions of this title.

(g) Sales of newspapers.

(h) Casual and isolated sales by a vendor who is not regularly engaged in the business of making sales at retail.

(i) Sales of livestock, poultry, seeds, feeds for livestock and poultry, fertilizers, lime, and land plaster used for agricultural purposes.

(j) Sales of food or beverages of any nature if made in any car composing a part of any train or in any aircraft or boat operating within the District in the course of commerce between the District and a State.

(k) Sales of goods made pursuant to bona fide contracts entered into before the date of approval of this act: *Provided*, That there is a contract in writing signed by the purchaser and vendor which imposes an unconditional liability on the part of the purchaser to buy the goods covered thereby at a fixed price and without escalator clause, and an unconditional liability on the part of the vendor to deliver a definite quantity of such goods at the contract price.

(l) Sales of natural or artificial gas, oil, electricity, solid fuel, or steam, directly used in manufacturing, assembling, processing, or refining.

(m) Sales which a State would be without power to tax under the limitations of the Constitution of the United States.

(n) Sales of motor vehicles and trailers.

(o) Sales of medicines, pharmaceuticals, and drugs made on prescriptions of duly licensed physicians and surgeons and general and special practitioners of the healing art.

(p) Sales of crutches, wheel chairs for the use of cripples and invalids, and, when designed to be worn on the person of the purchaser or user, artificial limbs, artificial eyes, and artificial hearing devices; sales of false teeth by a dentist and the materials used by a dentist in dental treatment; sales of eyeglasses, when especially designed or prescribed by an ophthalmologist, oculist, or optometrist for the personal use of the owner or purchaser; and sales of artificial braces and supports designed solely for the use of crippled persons.

COLLECTION OF TAX

SEC. 29. Upon each sale of tangible personal property or services, the gross receipts from which are taxable under this title, the reimbursement of tax to be collected by the vendor from the purchaser under the provisions of this title shall be stated and charged separately from the sales price and shown separately on any record thereof at the time the sale is made or evidence of sale issued or employed by the vendor.

SEC. 30. It shall be presumed that all receipts from the sale of tangible personal property and services mentioned in this title are subject to tax until the contrary is established, and the burden of proving that a receipt is not taxable hereunder shall be upon the vendor or the purchaser as the case may be. Except as provided in section 28 (c) of this title, unless the vendor shall have taken from the purchaser a certificate signed by and bearing the name and address of the purchaser and the number of his registration certificate to the effect that the property or service was purchased for resale, the receipts from all sales shall be deemed taxable. The certificate herein required shall be in such form as the assessor shall prescribe and, in case no certificate is furnished or obtained prior to the time the sale is consummated, the tax shall apply to the gross receipts therefrom as if the sale were made at retail.

SEC. 31. The tax imposed by this title and interest and penalties thereon shall become, from the time due and payable, a personal debt of the person liable to pay the same

to the District. An action may be brought at any time within 3 years from the time the tax shall be due and payable in the name of the District to recover the amount of any taxes, penalties, and interest due under the provisions of this title, but such actions shall be utterly barred after the expiration of the aforesaid 3 years.

SEC. 32. Whenever the business or property of any person subject to tax under the terms of this title, shall be placed in receivership or bankruptcy, or assignment is made for the benefit of creditors, or if said property is seized under distraint for property taxes, all taxes, penalties, and interest imposed by this title for which said person is in any way liable shall be a prior and preferred claim. Neither the United States marshal, nor a receiver, assignee, or any other officer shall sell the property of any person subject to tax under the terms of this title under process or order of any court without first determining from the Collector the amount of any such taxes due and payable by said person, and if there be any such taxes due, owing, or unpaid under this title it shall be the duty of such officer to first pay to the Collector the amount of said taxes out of the proceeds of said sale before making any payment of any moneys to any judgment creditor or other claimants of whatsoever kind or nature. Any person charged with the administration or distribution of any such property as aforesaid who shall violate the provisions of this section shall be personally liable for any taxes accrued and unpaid which are chargeable against the person otherwise liable for tax under the terms of this section.

SEC. 33. The taxes imposed by this title and penalties and interest thereon may be collected by the Collector in the manner provided by law for the collection of taxes due the District on personal property in force at the time of such collection; and liens for the taxes imposed by this title and penalties thereon may be acquired in the same manner that liens for personal property taxes are acquired. If the Assessor believes that the collection of any tax imposed by this act will be jeopardized by delay, he shall, whether or not the time otherwise prescribed by law for making return and paying such tax has expired, immediately assess such tax (together with all interest and penalties, the assessment of which is provided for by law). Such tax, penalties, and interest shall thereupon become immediately due and payable, and immediate notice and demand shall be made by the Collector for the payment thereof. Upon failure or refusal to pay such tax, penalty, and interest, collection thereof by distraint shall be lawful.

UNLAWFUL ADVERTISING

SEC. 34. It shall be unlawful for any vendor to advertise or hold out or state to the public or to any customer directly or indirectly that the reimbursement of tax or any part thereof to be collected by the vendor under this title will be assumed or absorbed by the vendor or that it will not be added to the selling price of the property sold or the taxable services rendered, or if added to said price that it, or any part thereof, will be refunded. Any person violating any provision of this section shall upon conviction be fined not more than \$500 or imprisoned for not more than 6 months, or both, for each offense.

RETURNS AND PAYMENT OF TAX

SEC. 35. (a) On or before the 20th day of each calendar month, every vendor who has made any sale at retail, taxable under the provisions of this title, during the preceding calendar month, shall file a return with the Assessor. Such returns shall show the total gross proceeds of the vendor's business for the month for which the return is filed; the gross receipts of the business of the

vendor upon which the tax is computed, the amount of tax for which the vendor is liable and such other information as the Assessor deems necessary for the computation and collection of the tax.

(b) The Assessor may permit or require the returns to be made for other periods and upon such other dates as he may specify: *Provided*, That the gross receipts during any tax year shall be included in returns covering such year and no other.

(c) The form of returns shall be prescribed by the Assessor and shall contain such information as he may deem necessary for the proper administration of this title. The Assessor may require amended returns to be filed within 20 days after notice and to contain the information specified in the notice.

SEC. 36. (a) At the time of filing his return as provided by this title, the taxpayer shall pay to the Collector the taxes imposed by this title.

(b) The taxes for the period for which a return is required to be filed by a vendor under this title shall be due by the vendor and payable to the Collector on the date limited for the filing of the return for such period, without regard to whether a return is filed or whether the return which is filed correctly shows the amount of gross receipts and taxes due thereon.

SEC. 37. On or before 30 days after the end of the tax year of each vendor required to pay to the Collector the tax imposed by the provisions of this title, such vendor shall make an annual return for such tax year in such form as may be required by the Assessor. The Assessor for good cause shown may on the written application of a vendor extend the time for making any return required by this section.

SECRECY OF RETURNS

SEC. 38. (a) Except to any official of the District having a right thereto in his official capacity, it shall be unlawful for any officer or employee of the District to divulge or make known in any manner the amount of gross proceeds or any particulars relating thereto or the computation thereof set forth or disclosed in any return required to be filed under this title, and neither the original nor a copy of any such return desired for use in litigation in court shall be furnished where neither the District nor the United States is interested in the result of such litigation, whether or not the request is contained in an order of the court: *Provided, however*, That nothing herein contained shall be construed to prevent the furnishing to a taxpayer a copy of his return upon the payment of a fee of \$2.

(b) Nothing contained in subsection (a) of this section shall be construed to prohibit the publication of notices authorized in this title, or the publication of statistics so classified as to prevent the identification of particular returns or reports and the items thereof, or the publication of delinquent lists showing the names of persons, vendors, or purchasers who have failed to pay the taxes imposed by this title within the time prescribed herein, together with any relevant information which in the opinion of the Assessor may assist in the collection of such delinquent taxes.

(c) Nothing contained in subsection (a) of this section shall be construed to prohibit the Assessor in his discretion, from divulging or making known any information contained in any report, application, or return required under the provisions of this title other than such information as may be contained therein relating to the amount of gross proceeds or tax thereon or any particulars relating thereto or the computation thereof.

(d) Any violation of the provisions of subsection (a) of this section shall be punishable by a fine not exceeding \$1,000 or imprisonment for 6 months, or both, in the discretion of the court.

(e) Notwithstanding the provisions of this section, the Assessor may permit the proper officer of the United States or of any State or Territory of the United States or his authorized representative to inspect the returns filed under this title, or may furnish to such officer or representative a copy of any such return, provided the United States, State, or Territory grants substantially similar privileges to the Assessor or his representative or to the proper officer of the District charged with the administration of this title.

(f) All reports, applications, and returns received by the Assessor under the provisions of this title shall be preserved for 3 years and thereafter until the Assessor orders them to be destroyed.

DETERMINATION OF TAX

SEC. 39. If a return required by this title is not filed, or if a return when filed is incorrect or insufficient, the amount of tax due shall be determined by the Assessor from such information as may be obtainable. Notice of such determination shall be given to the taxpayer. Such determination shall finally and irrevocably fix the tax unless the person against whom it is assessed, within 30 days after the giving of notice of such determination, shall apply in writing to the Assessor for a hearing, or unless the Assessor of his own motion shall redetermine the same. After such hearing or redetermination the Assessor shall give notice of his final determination to the person against whom the tax is assessed.

REFUNDS

SEC. 40. (a) Except as to any tax finally determined as provided in section 39, where any tax has been erroneously or illegally collected, the tax shall be refunded if application under oath is filed with the Assessor for such refund within 1 year from the payment thereof. For like cause and within the same period a refund may be made upon the certificates of the Assessor and the Collector. Whenever a refund is made upon the certificates of the Assessor and the Collector, the Assessor and Collector shall state their reasons therefor in writing. Such application may be made by the person upon whom such tax was imposed and who has actually paid the tax. When an application is made by a vendor who has collected reimbursement of such tax, no actual refund of moneys shall be made to such vendor, until he shall first establish to the satisfaction of the Assessor, under such regulations as the Commissioners may prescribe, that the vendor has repaid to the purchaser the amount for which the application for refund is made. In lieu of any refund required to be made, a credit may be allowed therefor on payment due from the applicant.

(b) Application for a refund or credit made as herein provided shall be deemed an application for a revision of any tax, penalty, or interest complained of and the Assessor may receive evidence with respect thereto. After making his determination of whether any refund shall be made, the Assessor shall give notice thereof to the applicant.

APPEALS

SEC. 41. (a) Any vendor or purchaser aggrieved by a final determination of tax or denial of an application for refund of any tax may, within 90 days from the date of the final determination of the tax or from the date of the denial of an application for refund, as the case may be, appeal to the Board of Tax Appeals for the District of Columbia in the same manner and to the same extent as set forth in sections 3, 4, 7, 8, 9, 10, and 11 of title IX of the act entitled "An act to amend the District of Columbia Revenue Act of 1937, and for other purposes," approved August 17, 1937, as amended, and as the same may hereafter be amended. The remedy provided in this section shall not be deemed to take away from the taxpayer any remedy

which he might have under any other provision of law, but no suit by the taxpayer for the recovery of any part of any tax shall be instituted in any court if the taxpayer has elected to file an appeal with respect to such tax with the Board of Tax Appeals for the District of Columbia.

(b) If it shall be determined by the Assessor, the Board of Tax Appeals for the District of Columbia, or any court having jurisdiction over the subject matter, that any part of any tax which was assessed as a deficiency, and any interest thereon paid by the taxpayer, was an overpayment, interest shall be allowed and paid upon such overpayment of tax at the rate of 4 percent per annum from the date such overpayment was paid until the date of refund.

SALES IN BULK

SEC. 42. Whenever there is made a sale, transfer, or assignment in bulk of any part or the whole of a stock of merchandise or of fixtures, or of merchandise and of fixtures, pertaining to the conducting of the business of the seller, transferor, or assignor, otherwise than in the ordinary course of trade and in the regular prosecution of said business, the purchaser, transferee, or assignee shall at least 5 days before taking possession of such merchandise, fixtures, or merchandise and fixtures, or paying therefor, notify the Assessor by registered mail of the proposed sale and of the price, terms, and conditions thereof, irrespective of whether or not the seller, transferor, or assignor has represented to or informed the purchaser, transferee, or assignee that he owes any tax pursuant to this title or whether he has complied with section 1 of the act entitled "An act to prevent the fraudulent sale of merchandise in the District of Columbia," approved April 28, 1904, or whether or not he has knowledge that such taxes are owing, or whether any such taxes are in fact owing.

(b) Whenever the purchaser, transferee, or assignee shall fail to give the notice to the Assessor as required by the preceding section, or whenever the Assessor shall inform the purchaser, transferee, or assignee that a possible claim for such tax or taxes exists, any sums of money, property, or choses in action, or other consideration, which the purchaser, transferee, or assignee is required to transfer over to the seller, transferor, or assignor shall be subject to a first priority right and lien for any such taxes theretofore or thereafter determined to be due from the seller, transferor, or assignor to the District, and the purchaser, transferee, or assignee is forbidden to transfer to the seller, transferor, or assignor any such sums of money, property, or choses in action to the extent of the amount of the District's claim. For failure to comply with the provisions of this section, the purchaser, transferee, or assignee shall be personally liable for the payment to the District of any such taxes theretofore or thereafter determined to be due to the District from the seller, transferor, or assignor, and such liability may be assessed and enforced in the same manner as the liability for tax under this title.

REGULATIONS

SEC. 43. In addition to the powers granted to the Commissioners in this title, they are hereby authorized and empowered to make, adopt, and amend rules and regulations appropriate to the carrying out of this title and the purposes thereof.

SEC. 44. In addition to the powers granted to the Assessor in this title, he is hereby authorized and empowered—

(a) to extend for cause shown the time of filing any return for a period not exceeding thirty days; and for cause shown, to remit penalties and interest in whole or in part except as otherwise provided in this title; and to compromise disputed claims in connection with the taxes hereby imposed;

(b) to request information from the Bureau of Internal Revenue of the Treasury Department of the United States relative to any person for the purpose of assessing taxes imposed by this title; and said Bureau of Internal Revenue is authorized and required to supply such information as may be requested by the Assessor relative to any person for the purpose herein provided;

(c) to prescribe methods for determining the gross proceeds from sales made or services rendered and for the allocation of such sales into taxable and nontaxable sales;

(d) to require any vendor selling to persons within the District to keep detailed records of the nature and value of personal property sold for use within the District, and to furnish such information upon request to the Assessor;

(e) to assess, determine, revise, and readjust the taxes imposed under this title.

SEC. 45. The Assessor, for the purpose of ascertaining the correctness of any return filed as required by this title, or for the purpose of making a return where none has been made, is authorized to examine any books, papers, records, or memoranda, or any person bearing upon the matters required to be included in the return and may summon any person to appear before him and produce books, records, papers, or memoranda bearing upon the matters required to be included in the return and to give testimony or answer interrogatories under oath respecting the same, and the Assessor, or his duly authorized representative, shall have power to administer oaths to such person or persons. Such summons may be served by any member of the Metropolitan Police Department. If any person, having been personally summoned, shall neglect or refuse to obey the summons issued as herein provided, then in that event the Assessor, or the Deputy Assessor, may report that fact to the United States District Court for the District of Columbia, or one of the justices thereof, and said court or any justice thereof hereby is empowered to compel obedience to said summons to the same extent as witnesses may be compelled to obey the subpoenas of that court. Any person in custody or control of any books, papers, records, or memoranda bearing upon the matters required to be included in such returns, who shall refuse to permit the examination by the Assessor or any person designated by him of any such books, papers, records, or memoranda, or who shall obstruct or hinder the Assessor or any person designated by him in the examination of any books, papers, records, or memoranda, shall upon conviction thereof be fined not more than \$500 or imprisoned for not more than 6 months, or both, for each offense.

REGISTRATION

SEC. 46. (a) No person shall engage or continue to engage in the business of making any retail sales subject to tax under the provisions of this title without having obtained a certificate of registration therefor. If two or more persons constitute a single vendor as defined in this title, such persons may operate a single retail establishment under one certificate of registration and in such case neither the death or retirement of one or more of such persons from business in such establishment nor the entrance of one or more persons therein shall affect the certificate of registration for a period of 60 days or require the issuance of a new certificate until the expiration of such period.

(b) Each applicant for a certificate required by this section shall make out and deliver to the Assessor, upon a blank to be furnished by him for that purpose, a statement showing the name of the applicant, each retail establishment where the applicant's business is to be conducted, the kind or nature of such business and such other infor-

mation as the Assessor may prescribe. Upon receipt of such application the Assessor shall issue the applicant, without charge, a certificate of registration for each retail establishment designated in the application, authorizing the applicant to engage in business at such retail establishment. The certificate of registration shall be nontransferable except as otherwise provided in this title, and shall be displayed in the applicant's place of business. The form of such certificate of registration shall be prescribed by the Assessor.

(c) In the case of a vendor who has no fixed place of business and sells from one or more vehicles, each such vehicle shall constitute a retail establishment for the purpose of this title. In the case of a vendor who has no fixed place of business and does not sell from a vehicle, the application for a certificate of registration shall set forth the address to which any notice or other communication authorized by this title may be sent to the applicant, and the place so designated shall constitute a retail establishment for the purposes of this title.

(d) Whoever engages in the business of selling tangible personal property at retail, or makes any sale which is subject to tax under the provisions of this title without having a certificate of registration therefor, as required by this section, shall, upon conviction thereof, be fined not more than \$100.

PENALTIES AND INTEREST

SEC. 47. (a) Any person failing to file a return or who files a false or incorrect return or who fails to pay any tax to the Collector within the time required by this title shall be subject to a penalty of 5 percent of the amount of tax due, plus interest at the rate of 1 percent of such tax for each month of delay excepting the first month after such return was required to be filed or such tax became due; but the Assessor, if satisfied that the delay was excusable, may waive all or any part of such penalty in excess of interest at the rate of 6 percent per year. Unpaid penalties and interest may be collected in the same manner as the tax imposed by this title. The interest provided for in this section shall be applicable to any tax determined by the Assessor as a deficiency.

(b) The certificate of the Collector or Assessor, as the case may be, to the effect that a tax has not been paid, that a return has not been filed, or a registration certificate has not been obtained, or that information has not been supplied pursuant to the provisions of this title, shall be presumptive evidence thereof: *Provided*, That the presumptions created by this subsection shall not be applicable in criminal prosecutions.

PENALTY FOR FAILURE TO FILE RETURNS, AND SO FORTH

SEC. 48. (a) Any person required to file a return or report or perform any act under the provisions of this title who shall fail or neglect to file such return or report or perform such act within the time required shall, upon conviction thereof, be fined not more than \$300 for each and every failure or neglect. The penalty provided herein shall be in addition to the other penalties provided in this title.

(b) Any person required to file a return or report or perform any act under the provisions of this title who willfully fails or refuses to file such return or report or perform such act within the time required shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than 1 year, or both. The penalty provided herein shall be in addition to the other penalties provided in this title.

ASSESSMENT, REASSESSMENT, FALSE AND INCORRECT RETURNS

SEC. 49. The Assessor shall determine, re-determine, assess, or reassess, any tax imposed by this title, except in cases where the

tax is correct as computed in any return filed with the Assessor, within 3 years after the filing of any return, except as follows:

(a) In the case of a false return, or a failure to file a return, whether in good faith or otherwise, the tax may be assessed at any time.

(b) In the case of an incorrect return which has not been prepared as required by this title and by the return and instructions, rules, or regulations applicable thereto, the tax shall be assessed or reassessed within 5 years after the filing of such return.

PROSECUTIONS

SEC. 50. All prosecutions under this title shall be brought in the municipal court for the District of Columbia of information by the Corporation Counsel of the District in the name of the District of Columbia.

NOTICES

SEC. 51. Any notice authorized or required under the provisions of this title may be given by mailing the same to the person for whom it is intended in an envelope, postage prepaid, addressed to such person at the address given in the last return filed by him pursuant to the provisions of this title or, if no return has been filed, then to the last address of such person. If the address of any person is unknown, such notice may be published in one or more of the daily newspapers in the District of Columbia for three successive days. The cost of any such advertisement in newspapers shall be added to the tax. The proof of mailing of any notice required or authorized in this title shall be presumptive evidence of the receipt of such notice by the person to whom addressed. The proof of publishing any notice required in this title in one or more of the daily newspapers in the District shall be conclusive notice to the person for whom such notice is intended.

EXTENSIONS OF TIME

SEC. 52. Where, before the expiration of the period prescribed herein for the assessment or redetermination of an additional tax, a taxpayer has consented in writing that such period be extended, the amount of such tax due may be determined at any time within such extended period. The period so extended may be further extended by subsequent consents in writing made before the expiration of the extended period.

TITLE II—COMPENSATING-USE TAX DEFINITIONS

SEC. 1. (a) "Retail sale", "sale at retail", and "sold at retail" means all sales in any quantity or quantities of tangible personal property, whether made within or without the District, and services, to any person for the purpose of use, storage, or consumption, within the District, taxable under the terms of this title. These terms shall mean all sales of tangible personal property to any person for any purpose other than those in which the purpose of the purchaser is to resell the property so transferred in the form in which the same is, or is to be, received by him, or to use or incorporate the property so transferred as a material or part of other tangible personal property to be produced for sale by manufacturing, assembling, processing, or refining. For the purpose of the tax imposed by this title, these terms shall include, but shall not be limited to, the following:

(1) Any production, fabrication, or printing of tangible personal property on special order for a consideration.

(2) The sale of natural or artificial gas, oil, electricity, solid fuel or steam, when made to any purchaser for purposes other than resale or for use in manufacturing, assembling, processing or refining.

(3) The sale of material used in the construction, and of materials used in the repair

or alteration, of real property, which materials, upon completion of such construction, alterations, or repairs, become real property, regardless of whether or not such real property is to be sold or resold.

(4) The grant of the right to continuous possession or use of any article of tangible personal property granted under a lease or contract if such grant of possession would be taxable if outright sale were made; in such event such lease or contract shall be considered the sale of such article and the tax shall be computed and paid by the vendor upon the rentals paid.

(b) The terms "retail sale," "sale at retail," and "sold at retail" shall not include the following:

(1) Sales of tickets for admission to places of amusement and sports.

(2) Sales of transportation and communication services.

(3) Professional, insurance, or personal service transactions which involve sales as inconsequential elements for which no separate charges are made.

(4) Sales of tangible personal property which property was purchased or acquired by a nonresident prior to coming into the District and establishing or maintaining a temporary or permanent residence in the District. As used in this subsection, the word "residence" means a place in which to reside and does not mean "domicile".

(5) Sales of tangible personal property which property was purchased or acquired by a nonresident person prior to coming into the District and establishing or maintaining a business in the District.

(6) The use or storage within the District of tangible personal property owned and held by a common carrier or sleeping-car company for use principally without the District in the course of interstate commerce, or commerce between the District and a State, in or upon, or as part of, any train, aircraft, or boat.

Sec. 2. "Purchase" and "purchased" shall mean and include—

(a) any transfer, either conditionally or absolutely, of title or possession of both of the tangible personal property sold at retail;

(b) any acquisition of a license or other authority to use, store, or consume, the tangible personal property sold at retail;

(c) any sale of services sold at retail.

Sec. 3. "Purchaser" means any person who shall have purchased tangible personal property or services sold at retail.

Sec. 4. "In the District" and "within the District" mean within the exterior limits of the District of Columbia and include all territory within such limits owned by the United States of America.

Sec. 5. "Store" and "storage" mean any keeping or the retention of possession in the District for any purpose of tangible personal property purchased at retail sale.

Sec. 6. "Use" means the exercise by any person within the District of any right or power over tangible personal property and services sold at retail, whether purchased within or without the District by a purchaser from a vendor.

Sec. 7. "Vendor" includes every person or retailer engaging in business in the District and making sales at retail as defined herein, whether for immediate or future delivery of the tangible personal property or performance of the services. When in the opinion of the Assessor it is necessary for the efficient administration of this title to regard any salesman, representative, peddler, or canvasser, as the agent of the dealer, distributor, supervisor, or employer, under whom he operates or from whom he obtains the tangible personal property sold or furnishes services, the Assessor may, in his discretion, treat and regard such agent as the vendor jointly responsible with his principal, employer, or supervisor, for the assessment and payment or collection of the tax imposed by this title.

Sec. 8. "Engaging in business in the District" includes the selling, delivering, or furnishing in the District, or any activity in the District in connection with the selling, delivering, or furnishing in the District, of tangible personal property or services sold at retail as defined herein. This term shall include but shall not be limited to the following acts or methods of transacting business:

(a) The maintaining, occupying or using, permanently or temporarily, directly or indirectly, or through a subsidiary or agent, by whatever name called, of any office, place of distribution, sales or sample room or place, warehouse or storage place, or other place of business.

(b) The having of any representative, agent, salesman, canvasser, or solicitor operating in the District for the purpose of making sales at retail as defined herein, or the taking of orders for such sales.

Sec. 9. "Retailer" includes every person engaged in the business of making sales at retail.

Sec. 10. The definitions of "business," "food," "gross receipts," "person," "purchaser's certificate," "retail establishment," "return," "sale" and "selling," "sales price," "semipublic institution," "tangible personal property," "tax," "tax year," "taxpayer," "Assessor," "Collector," "Commissioners," and "District," as defined in title I of this act, are hereby incorporated in and made applicable to this title.

Sec. 11. The foregoing definitions shall be applicable whenever the words defined are used in this title unless otherwise required by the context.

IMPOSITION OF TAX

Sec. 12. Beginning on and after the first day of the first month succeeding the sixtieth day after the approval of this act, there is hereby imposed and there shall be paid by every vendor engaging in business in the District and by every purchaser a tax on the use, storage, or consumption of any tangible personal property and services sold or purchased at retail sale. The tax hereby imposed shall be at the rate of 2 percent of the sales price of the tangible personal property or services rendered or sold.

PAYMENT OF TAX BY VENDOR

Sec. 13. Every vendor engaging in business in the District and making sales at retail shall, for the privilege of making such sales, pay to the Collector the tax imposed by this title. At the time of making such sales the vendor shall collect the tax from the purchaser and give to the purchaser a receipt therefor in such form as prescribed by the Assessor. For the purpose of uniformity of tax collection by the vendor engaging in business in the District and for other purposes the provisions of sections 26, 27, 29, and 30 of title I of this act are hereby incorporated in and made applicable to this title.

Sec. 14. Every vendor or retailer not engaging in business in the District who makes sales at retail as defined in this title, and who upon application to the Collector has been expressly authorized to pay the tax imposed by this title, shall, at the time of making such sales, collect the reimbursement of the tax from the purchaser and give to the purchaser a receipt therefor in such form as prescribed by the Assessor. For the purpose of uniformity of tax collection by the vendor or retailer who has been expressly authorized to pay the tax under the provisions of this section and for other purposes, the provisions of sections 26, 27, 29, and 30 of title I of this act are hereby incorporated in and made applicable to this title. A permit shall be issued to such vendor or retailer, without charge, to pay the tax and collect reimbursement thereof as provided herein. Such permit may be revoked at any time by the Collector who shall thereupon give notice thereof to the vendor or retailer.

PAYMENT OF TAX BY PURCHASER

Sec. 15. If a purchaser has not reimbursed for the tax such vendors or retailers as are required or authorized to pay the tax, as the case may be, such purchaser shall file a return as hereinafter provided and pay to the Collector 2 percent of the total sales prices of property and services purchased at retail sale.

EXEMPTIONS

Sec. 16. The tax imposed by this title shall not apply to the following:

(a) Sales upon which taxes are imposed under title I of this act.

(b) Sales exempt from the taxes imposed under title I of this act.

(c) Sales upon which the purchaser has paid a retail sales tax or made reimbursement therefor to a vendor or retailer under the laws of any State or Territory of the United States.

COLLECTION OF TAX

Sec. 17. The provisions of sections 31, 32, and 33 of title I of this act are hereby incorporated in and made applicable to this title.

Sec. 18. Every vendor or retailer not engaging in business in the District who has been expressly authorized to pay the tax imposed by this title and collect reimbursement therefor, and every vendor engaging in business in the District, may, in the discretion of the Collector, be required to file with the Collector a bond not exceeding the amount of \$10,000 with such sureties as the Collector deems necessary, and for such duration not exceeding 5 years as the Collector deems necessary, conditioned upon the payment of the tax due from any vendor or retailer for any period covered by any return required to be filed under this title.

UNLAWFUL ADVERTISING

Sec. 19. The provisions of section 34 of title I of this act are hereby incorporated in and made applicable to this title.

RETURNS AND PAYMENT OF THE TAX

Sec. 20. The provisions of sections 35, 36, 37, and 38 of title I of this act are hereby incorporated in and made applicable to this title. Every vendor, and every vendor or retailer not engaging in business in the District who is expressly authorized to pay the tax, shall file returns and pay the tax in accordance with the provisions of such sections applicable to the filing of returns and the payment of the tax and as shall be prescribed by regulation.

Sec. 21. (a) Every purchaser who is required to pay a tax under this title shall file a return with the Assessor within 20 days after the end of each calendar month. Such returns shall show the total sales prices of all tangible personal property and services purchased at retail sale upon which the tax imposed has not been paid by the purchaser to vendors or retailers, the amount of tax for which the purchaser is liable, and such other information as the Assessor deems necessary for the computation and collection of the tax.

(b) The Assessor may permit or require the returns of purchasers to be made for other periods and upon such other dates as he may specify.

(c) The return filed by a purchaser shall include the sales prices of all tangible personal property and services purchased at taxable retail sale during the calendar month or other period for which the return is filed and upon which the tax imposed has not been reimbursed by the purchaser to vendors or retailers.

(d) The form of returns shall be prescribed by the Assessor and shall contain such information as he may deem necessary for the proper administration of this title. The Assessor may require amended returns to be filed within 20 days after notice and to contain the information specified in the notice.

(e) At the time of filing his return as provided in this section the purchaser shall pay to the Collector the amount of tax for which he is liable as shown by such return.

(f) The taxes for the period for which a return is required to be filed under this section shall be due by the taxpayer and payable to the Collector on the date limited for the filing of the return for such period, without regard to whether a return is filed or whether the return which is filed correctly shows the amount of the total sales prices and taxes due thereon.

REGISTRATION

SEC. 22. The provisions of section 46 of title I of this act are hereby incorporated in and made applicable to this title: *Provided*, That vendors and persons who have been issued certificates of registration under title I of this act shall not be required to have such certificate under this title.

DETERMINATION OF TAX, REFUNDS, APPEALS, SALES IN BULK, REGULATIONS, PENALTIES AND INTEREST, PROSECUTIONS, FALSE AND INCORRECT RETURNS, NOTICES, ETC.

SEC. 23. The provisions of sections 39, 40, 41, 42, 43, 44, 45, 47, 48, 49, 50, 51, and 52 of title I of this act are hereby incorporated in and made applicable to this title.

TITLE III—EXCISE TAX UPON ISSUANCE OF TITLES TO MOTOR VEHICLES

An act known as the District of Columbia Traffic Act, 1925, approved March 3, 1925, as amended, is hereby further amended by adding to section 6 thereof the following subsection:

"(j) In addition to the fees and charges levied under other provisions of this act, there is hereby levied and imposed an excise tax for the issuance of every original certificate of title for a motor vehicle or trailer in the District, and for the issuance of every subsequent certificate of title for a motor vehicle or trailer in the District in the case of sale or resale thereof, at the rate of 2 percent of the fair market value of such motor vehicle or trailer at the time such certificate is issued, as determined by the Assessor of the District of Columbia or his duly authorized representatives. As used in this section, the term "original certificate of title" shall mean the first certificate of title issued by the District of Columbia for any particular motor vehicle or trailer. No certificate of title so issued shall be delivered or furnished to the person entitled thereto until the tax has been paid in full. The Assessor of the District of Columbia may require every applicant for a certificate of title to supply such information as he deems necessary as to the time of purchase, the purchase price, and other information relative to the determination of the fair market value of any motor vehicle or trailer for which a certificate of title is required and issued. The issuance of certificates of title for the following motor vehicles and trailers shall be exempt from the tax imposed by this subsection:

"(1) Motor vehicles and trailers owned by the United States or the District of Columbia.

"(2) Motor vehicles and trailers purchased or acquired by nonresidents prior to coming into the District of Columbia and establishing or maintaining residences in the District.

"(3) Motor vehicles and trailers purchased or acquired by nonresidents prior to coming into the District of Columbia and establishing or maintaining a business or businesses in the District. Except as hereinafter provided, it is not intended to exempt from the tax the issuance of certificates of title for motor vehicles and trailers owned by nonresidents who are engaged in business in the District at the time of their purchase or acquisition of such vehicles and trailers and who use such vehicles and trailers in the

conduct of their District business or businesses.

"(4) Motor vehicles and trailers owned by a utility or public-service company for use in furnishing a commodity or service: *Provided*, That the receipts from furnishing such commodity or service are subject to a gross-receipts or mileage tax in force in the District of Columbia at the time of a certificate of title for any such vehicle or trailer is issued."

SEC. 2. The provisions of this title shall be applicable with respect to all certificates of title issued on and after the first day of the first month succeeding the sixtieth day after the approval of this act.

SEC. 3. Any person aggrieved by the assessment of any tax imposed by this title may, within 90 days from the date the person entitled to a certificate of title was notified of the amount of such tax, appeal to the Board of Tax Appeals for the District of Columbia in the same manner and to the same extent as set forth in sections 3, 4, 7, 8, 9, 10, and 11 of title IX of the act entitled "An act to amend the District of Columbia Revenue Act of 1937, and for other purposes," approved August 17, 1937, as amended, and as the same may hereafter be amended. The remedy provided in this section shall not be deemed to take away from the person entitled to such certificate of title any remedy which he might have under any other provision of law, but no suit by such person for the recovery of a tax, or any part thereof, imposed by this title shall be instituted in any court if such person has elected to file an appeal with respect to such tax with the Board of Tax Appeals for the District of Columbia.

Mr. SMITH of Virginia (interrupting the reading). Mr. Chairman, I ask unanimous consent that titles I, II, and III, relating to the sales tax may be considered as read, printed in the RECORD, and that it may be open to amendment at any place.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GRANGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRANGER: Strike out all after the enacting clause and insert the following: "That section 3 (s) of title I, article I, is amended to read as follows:

"(s) The word 'resident' means every individual domiciled within the District on the last day of the taxable year, and every other individual who maintains a place of abode within the District for more than 7 months of the taxable year, whether domiciled in the District or not. The word 'resident' shall not include any elective officer, or any employee on the staff of an elected officer in the legislative branch of the Government of the United States, if such employee is a bona fide resident of the State of residence of such elected officer, or any officer of the executive branch of such Government whose appointment to the office held by him was by the President of the United States and subject to confirmation by the Senate of the United States, unless such officers are domiciled within the District on the last day of the taxable year."

"Sec. 2. Section 2 of title III is amended by striking out all of the paragraph numbered (b) (10) and renumbering the succeeding paragraphs as (10) and (11), respectively.

"Sec. 3. Section 3 of title III is amended by striking out all of the paragraph numbered 3 (b) (5) and renumbering the succeeding paragraph as (5).

"Sec. 4. Section 3 of title VI is amended to read as follows:

"Sec. 3. Imposition and rates of tax: There is hereby annually levied and imposed for each taxable year upon the taxable income of every resident a tax at the following rates:

"Two percent, on the first \$2,000 of taxable income.

"Three percent, on the next \$3,000 of taxable income.

"Four percent, on the next \$5,000 of taxable income.

"Five percent, on the taxable income in excess of \$10,000."

"SEC. 5. Article I is further amended by striking out all of title VIII and renumbering the succeeding titles as VIII, IX, X, XI, XII, XIII, XIV, and XV, respectively.

"SEC. 6. Subsection (a) of section 23 of the District of Columbia Alcoholic Beverage Control Act, approved January 24, 1934, as amended, is further amended to read as follows:

"Sec. 23. (a) There shall be levied, collected, and paid on all of the following-named beverages manufactured by a holder of a manufacturer's license and on all of the said beverages imported or brought into the District of Columbia by a holder of a wholesaler's license, except beverages as may be sold to a dealer licensed under the laws of any State or Territory of the United States and not licensed under this act, and on all beverages imported or brought into the District of Columbia by a holder of a retailer's license, a tax at the following rates to be paid by the licensee in the manner hereinafter provided.

"(1) A tax of 10 cents on every wine-gallon of wine containing 14 percent or less of alcohol by volume, except champagne or sparkling wine or any wine artificially carbonated, and a proportionate tax at a like rate on all fractional parts of such gallon; (2) a tax of 20 cents on every wine-gallon of wine containing more than 14 percent of alcohol by volume, except champagne or sparkling wine or any wine artificially carbonated, and a proportionate tax at a like rate on all fractional parts of such gallon; (3) a tax of 30 cents on every wine-gallon of champagne of sparkling wine or any wine artificially carbonated, and a proportionate tax at a like rate on all fractional parts of such gallon; (4) a tax of \$1.10 on every wine-gallon of spirits and a proportionate tax at a like rate on all fractional parts of such gallon; (5) and a tax of \$2.20 on every wine-gallon of alcohol and a proportionate tax at a like rate on all fractional parts of such gallon."

"Sec. 7. Within 10 days after the effective date of this act, every holder of a retailer's license under said District of Columbia Alcoholic Beverage Control Act shall file with the Alcoholic Beverage Control Board a sworn statement on a form to be prescribed by the Commissioners of the District of Columbia showing the number of each kind and denomination of stamps denoting the payment of beverage taxes held or possessed by such licensee or anyone for him on the day on which this act becomes effective, or on the following day on which this act becomes effective, or on the following day if the effective date be a Sunday, other than stamps affixed to the containers of beverages manufactured in or imported into the District of Columbia prior to the effective date of this act, and shall, within 15 days after the effective date of this act, pay to the Collector of Taxes the difference between the amount of tax represented by such stamps at the time of purchase from the Collector of Taxes and the amount of tax imposed by this act represented by such stamps.

"Sec. 8. Within 10 days after the effective date of this act every holder of a manufacturer's license, class A, and every holder of a wholesaler's license under the District of Columbia Alcoholic Beverage Control Act shall file with the Alcoholic Beverage Control Board a sworn statement on a form to be prescribed by the Commissioners showing the amount and kind of all beverages, except (1)

beer, (2) wine containing 14 percent or less of alcohol by volume other than champagne and wine artificially carbonated, and (3) beverages upon which required stamps have been affixed, held, or possessed by him in the District of Columbia at the beginning of the day this act becomes effective and shall state the number of each kind and denomination of stamps necessary for the stamping of such beverages so held or possessed. Every such licensee, within 10 days after the effective date of this act, shall also file with the Alcoholic Beverage Control Board a sworn statement on a form to be prescribed by the Commissioners of the District of Columbia showing the number of each kind and denomination of stamps denoting the payment of beverage taxes held or possessed by such licensee or anyone for him at the beginning of the day on which this act becomes effective, other than stamps affixed to the containers of beverages manufactured in or imported into the District of Columbia prior to the effective date of this act. Every such licensee shall within 15 days after the effective date of this act pay to the Collector of Taxes for all stamps not necessary for the stamping of beverages shown on the sworn statement hereinbefore required to be filed with the Alcoholic Beverage Control Board the difference between the amount of tax represented by such stamps at the time of purchase from the collector of taxes and the amount of tax imposed by this act represented by such stamps. Should the number of any kind or denomination of stamps so held by a licensee be less than the number necessary for the stamping of the beverages shown on said sworn statement, the Collector of Taxes is authorized and directed to sell to such licensee, at the rates prescribed for such stamps prior to the effective date of this act, such stamps as may be necessary for the stamping of such beverages. In the event any of the beverages shown on said sworn statement are sold to a dealer licensed under the laws of any State or Territory of the United States and not licensed under this act, such sale shall, within 10 days thereafter, be reported to the Alcoholic Beverage Control Board and within said 10 days such licensee shall pay to the Collector of Taxes on all stamps held by him for the stamping of such beverages the difference between the amount of tax represented by such stamps at the time of purchase from the Collector of Taxes and the amount of tax imposed by this act represented by such stamps.

"Sec. 9. Subsection (a) of section 40 of said act (sec. 25-138, D. C. Code, 1940), as amended, is hereby further amended, by striking out the figures and words '50 cents' and inserting in lieu thereof the figure '\$1.'"

"Sec. 10. The rate of taxation imposed by the District of Columbia on real and tangible personal property shall not be less than 2½ percent on the assessed value of such property."

"Sec. 11. This act shall become effective July 1, 1949."

Mr. GRANGER (interrupting the reading). Mr. Chairman, I ask unanimous consent that the section having to do with the sales tax be considered as read and that the Clerk proceed with the next section.

The CHAIRMAN. Does the gentleman from Virginia object to the request of the gentleman from Utah?

Mr. SMITH of Virginia. What portion is the gentleman talking about?

Mr. GRANGER. The income tax.

Mr. SMITH of Virginia. We have not reached the income tax; that does not come until the next section; but to consider it read, I have no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. SMITH of Virginia. Mr. Chairman, I reserve a point of order against the amendment.

Mr. GRANGER. The gentleman may make his point of order.

Mr. SMITH of Virginia. Mr. Chairman, I make the point of order that the amendment offered by the gentleman from Utah is not in order at this time, as the part of the bill that has been read relates to the sales tax and the title relating to the income tax has not been reached. I therefore make a point of order that the gentleman's amendment is premature and not in order at this time.

The CHAIRMAN. Does the gentleman from Utah [Mr. GRANGER] wish to be heard?

Mr. GRANGER. I do, Mr. Chairman. The bill we have before us, it is perfectly clear, is to raise revenue for the District of Columbia. Every one of the sections in the amendment that I have offered proposes to do that. It is in order and I hope the Chair rules it is in order.

The CHAIRMAN. The Chair is ready to rule.

The point of order raised by the gentleman from Virginia is the identical point of order raised by the gentleman from Virginia in a similar situation when the committee considered this legislation some time ago. At that time the Chair ruled that the gentleman from Virginia was technically correct in urging the point of order, but the Chair also rules again that the gentleman from Utah would be in order in offering his amendment after the proper section has been read.

Mr. SMITH of Virginia. Mr. Chairman, are there any amendments to titles I, II, or III?

The CHAIRMAN. The gentleman from Utah at this time, in view of the ruling of the Chair, may desire to offer his amendment as a substitute.

Mr. GRANGER. Mr. Chairman, I offer it as a substitute.

Mr. SMITH of Virginia. Mr. Chairman, it has not been offered as a substitute. I do not want to be technical, but I do want to be regular.

Mr. GRANGER. Mr. Chairman, I ask unanimous consent that it be considered as a substitute. That was the intention, that it is a substitute.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

The CHAIRMAN. The gentleman from Utah [Mr. GRANGER] is recognized for 5 minutes on his amendment.

Mr. KEEFE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. Mr. Chairman, are we to understand that the gentleman from Utah has now offered a complete substitute for 3704?

The CHAIRMAN. That is the understanding of the Chair.

Mr. KEEFE. If the substitute is adopted, that means wiping out the entire language contained in 3704 and adopts this as the bill?

The CHAIRMAN. The gentleman is correct. That is the parliamentary situation.

Mr. GRANGER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GRANGER. Mr. Chairman, I intended to not have the income-tax provision read, however I think the next section should be read.

The CHAIRMAN. What does the gentleman propose? The gentleman is recognized for 5 minutes under previous ruling of the Chair to explain his amendment. Will the gentleman proceed?

Mr. KLEIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KLEIN. Mr. Chairman, I do not believe the membership knows what this substitute contains, therefore I ask unanimous consent that the substitute be read.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. KLEIN. Mr. Chairman, is this going to be taken out of the gentleman's time?

The CHAIRMAN. What is the gentleman's request?

Mr. KLEIN. Mr. Chairman, I asked unanimous consent that the substitute be read. It has not been read. I do not want that to be done if it is going to be taken out of his time.

The CHAIRMAN. For the information of the gentleman from New York, the gentleman from Utah requested that it be not read. The gentleman from Utah is recognized.

Mr. GRANGER. Mr. Chairman, this substitute seems very simple to me, but may be very difficult for some people to understand who do not want to understand it. However, the amendment I offered is a substitute for the Smith bill. I was in hopes that we could speed the thing up by having the section read that had to do with income tax, that everyone knows and has heard read before, but I wanted the rest of it read so that they would know what is in the bill. Everybody has been talking about the sales tax and the income tax, but on neither side of the aisle have they talked about the place where they can raise the necessary revenue for the District, but it can be done by taxing liquor. I made a mistake before when I said that the liquor-tax increase in my bill would raise \$2,000,000. I have since checked and found that was on hard liquor. But, on wine and champagne and liquor the revenue would be \$4,000,000. So, I am going to ask unanimous consent a little later on to offer an amendment to strike out the figure 2½ percent and make it 2¼ percent, because it will not be necessary to raise the property tax that high in order to get the necessary revenue that we need for the District.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Arkansas.

Mr. HARRIS. Did I understand the gentleman to say that after some investigation he found that the tax proposed in his amendment on hard liquor would increase the revenue \$2,000,000?

Mr. GRANGER. That is right.

Mr. HARRIS. And if it was extended then to all liquors and wine, it would be \$4,000,000?

Mr. GRANGER. That is right.

Mr. HARRIS. The gentleman then tells this committee that this increase in tax on wine would raise \$2,000,000 additional revenue.

Mr. GRANGER. Wines and liquor combined, \$4,000,000.

Mr. HARRIS. Of course, liquor is already in, and you get \$2,000,000. As I understand, when you add wines and beer, and so forth to it, you get \$2,000,000 more.

Mr. GRANGER. Practically speaking, that is the truth. Four million dollars will be realized in revenue from the tax on liquor and wine as proposed in my substitute.

Mr. HARRIS. My understanding is—

Mr. GRANGER. I do not yield anymore.

So, the committee a couple of weeks ago, when this carefully considered sales tax was before the House and was promptly defeated, seemed to suffer a little bit from offended pride and said, "Now, that the House has done that, it is up to somebody else to find where they can get the revenue." Well, we found where we can get the revenue to meet every requirement of the budget, sufficient revenue to pay these increases that they have been talking about and that most of the members of the committee have voted for. So, we are here now today, and I wish everyone would be in a position where they would have to stand up and be counted as to whether or not they are against putting any of these luxury taxes on liquor, tobacco, and beer in the District of Columbia. There is not a single tax on tobacco in the District. The tax on a barrel of beer is 50 cents; in other places in the country it varies from \$2.50 in Pennsylvania to \$10 a barrel in Louisiana.

I hope the amendment will be adopted. I certainly am not of the opinion that we ought to recommit it. I want to pass it.

Mr. SMITH of Virginia. Mr. Chairman, I wonder how many Members want to speak on this amendment? Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes, the last 5 minutes to be reserved to the committee.

Mr. O'SULLIVAN. I object, Mr. Chairman.

Mr. CRAWFORD. Mr. Chairman, reserving the right to object, I think that would amount to only about 2 minutes each.

Mr. SMITH of Virginia. I withdraw the request, Mr. Chairman.

Mr. BATES of Massachusetts. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is the crux of the entire situation. Here we find, as the result of all this confusion on the part of those who are trying to write a bill on the floor of the House, an amendment being offered at the last moment, which is a complete substitute for the bill that the committee reported to the House. This brings about in substance a change in broadening the income-tax law and doubling the rates, and also the tax on alcoholic beverages. As I said earlier this afternoon, if we were to meet the \$18,000,000 by a tax on real estate it would mean an increase of over 90 percent in the tax bill on any given property between the year 1948 and the next fiscal year, 1950. This substitute bill, offered by the gentleman from Utah [Mr. GRANGER] provides for a rate of \$2.50, and on that base, on any given piece of property the tax bill in the next fiscal year, 1950, would be just 70 percent over and above what it was in the fiscal year 1948. That is one feature of his bill.

There was a lot said about the lack of time the committee gave to the fiscal problems of the District. Here is a volume containing the hearings we held on the fiscal problems of the District only 2 years ago. It took the committee over a period of 2 months. We have precisely the same members on that committee that we had 2 years ago, when we made a complete survey of the entire fiscal structure of the District of Columbia.

Another thing I call to your attention is that the minority members have already filed several identical bills as substitutes for the bill that is before the committee today, H. R. 3682, H. R. 3683, H. R. 3684, H. R. 3685, and H. R. 3686, and we have still another one in the substitute offered by the gentleman from Utah only a moment ago.

Let me repeat once more that I believe we have a committee composed of very responsible men, men who have given a great deal of time and thought to the fiscal problems of the District. They have been on the committee a good many years. I think they thoroughly understand the problems of the District. It is just a question of what course they ought to take, whether they should take an income tax or a sales tax. But the plain facts are that we need \$18,000,000, and the subcommittee by unanimous agreement reported out the bill that is now before you for a well-balanced one, that can be put into effect in the District of Columbia and will meet all requirements not only of the deficiency in the budget itself but also the \$10,000,000 necessary to meet the requirements of the increased pay of the District employees, whose salary increases the House approved a year ago, which means precisely \$660 to every employee in the District of Columbia.

If this bill we reported out is defeated today, in my opinion we will not be able to raise sufficient money, because even with the bill that has been filed by the several Members, including the gentleman from Utah [Mr. GRANGER], they still will be \$7,000,000 short of meeting the necessary expenditures they still need to

operate the District of Columbia in the fiscal year 1950.

Mr. Chairman, I hope the amendment will be defeated.

Mr. KENNEDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to speak in favor of the Granger substitute. I would like to say to the gentleman from Massachusetts that 2 weeks ago when the House defeated the sales-tax bill, it seems to me it showed conclusively that it did not want a sales tax. Therefore, the duty of the Fiscal Committee of the District of Columbia Committee was to bring up new legislation, which is what we are trying to do. Therefore it seems to me the onus, or the burden rests with the Fiscal Affairs Committee of the District Committee and not with a minority group whom you accuse of trying to write the bill on the floor of the House. That is our only alternative, because the Fiscal Affairs Committee did not respond to the mandate of the House, which rejected a sales tax. They should have brought in an entirely new bill which did not include a sales tax. That is why even though this substitution may not be in the best form and the way it should have been, I am going to support the Granger substitute.

Mr. Chairman, I yield back the balance of my time.

Mr. CAVALCANTE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am bound to be in favor of this substitute because of the same reason that I voted against the bill about 2 weeks ago. The bill is loosely drawn up and confused. Let me point this out to you.

On page 2 of the bill, line 14, we find the definition of the word "food." It says that food means, among other things, "bottled soft drinks." Then down on line 21, where a proviso is added to that meaning, it says:

Provided, however, That the word "food" shall not include spirituous or malt liquors, beer—

And mark you this—

any other beverages such as are ordinarily dispensed at bars and soda fountains or in connection therewith.

This language means that if the drink is "bottled," it is "food." But the proviso states that if you buy the same beverage at the soda fountain, it ceases to be food. So, you have the situation that when you go into a restaurant and sit at the soda fountain and order a meal and ask for a bottle of Coca-Cola to go with your meal, the price of the bottle of Coca-Cola will be added to the cost of your meal and you will be charged the tax on the whole price. But if you sit at the counter, and instead of asking for a bottle of Coca-Cola, you say, "Bring me a glass of Coca-Cola," then this section excludes that and the waitress or the restaurant owner would be doing wrong to add the price of that glass of Coca-Cola to your meal ticket because the proviso makes it no longer food. If it is in a bottle, it is food; and if it is not in a bottle, it is not food.

It seems to me that this definition discriminates against the bottlers of soft

drinks. These bottlers who bottle and sell soft drinks in bottles will be taxed, but those who sell the sirup to be mixed with water, which is jerked at the fountain, and sold in bulk—that kind of Coca-Cola is not taxed. That applies to any soft drink. I challenge the committee to question the point that if Coca-Cola is sold in bottles it is food, and if it is sold in the glass at the fountain it ceases to be food. I cannot understand that kind of reasoning.

Mr. O'SULLIVAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is with some reluctance that I request this time to add a heaping measure to the already heavy burdens of this committee, and by my actions seek to make this Congress better known as a no-can-do Congress. But no other course seems to be open to me at this time.

To say that I oppose a sales tax for the District of Columbia is putting it mildly. I am against a sales tax because its burdens fall too heavily upon the ordinary person, and it is a scheme to relieve the big-money people from paying their just share of taxes.

If we pass this sales-tax feature in this District revenue measure, it will be the entering wedge for a national sales tax. The Democratic platform unequivocally condemned a sales tax, and it certainly is no excuse to say that it denounced a national sales tax but not a sales tax for the District of Columbia. I am sure that the intent of the platform was to denounce all sales taxes, whether on a national or a district scale.

I am at a loss to understand why real property in the District of Columbia should not be raised from \$2 per hundred to at least \$3 per hundred, which amount would be much less than that paid by any other cities, both larger and smaller from a population standpoint; and why an alcoholic liquor tax should not be increased in an amount equal to that paid in other cities. Why should real-estate owners and liquor sellers here be given special handling in the District of Columbia? Why should they be a privileged class?

There is no doubt but what the \$18,000,000 deficit should be made up by a proper tax plan. Wages should be raised and the people of the District of Columbia should receive benefits comparable to those received by other cities. But I am afraid that the approach suggested by House bill 3704 is not the proper one and not the democratic one. It would rather appear that this bill was ill-considered in the committee and it should be either returned to the committee or rewritten on the floor of this House by adopting the Granger substitute, heretofore distributed among the Members of the House. It contemplates an increase in the liquor and real-estate taxes. All of its provisions are not entirely clear to me, perhaps, but I do not think there is anything complicated about it after all, and it would do away with sales taxes, impose higher real-estate taxes, and put a proper tax upon liquor sales in the District.

I am sorry that I cannot go along with our distinguished majority leader on this matter. I cannot because the Democratic platform denounces a sales tax, and does

not hold out tax exemptions or special handling for liquor dealers and real-estate owners in the District of Columbia or elsewhere in the United States.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. GRANGER. Mr. Chairman, I ask unanimous consent to amend my amendment on page 3, line 10, by striking out "2½ percent" and insert in lieu thereof "2¼ percent."

The CHAIRMAN. Is there objection to the request of the gentleman from Utah [Mr. GRANGER]?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, in view of the fact that this amendment particularly deals with the question of taxing the liquor consumed in the District of Columbia, I wish to inform the House on certain revenue figures which have been supplied to me, taken from the revenue studies of the District of Columbia, alcoholic beverages.

Some of the large wholesale distributors in this area are shown in this table which I will insert at this point:

Revenue studies, District of Columbia—alcoholic beverages

	Liquor	Wine	Total
1947 REVENUE STAMP PURCHASERS			
WHOLESALESAERS			
Austin Nichols & Co.	Gallons 24,798	Gallons 3,299	Gallons 28,097
Beitzell & Co., Inc.	201,892	19,750	311,642
Capital Distributors Co.	515,399	31,550	546,949
Columbia Wholesale Liquor Co.	192,920		192,920
Decker Distributing Co.	144,647	54,286	198,933
District Distributors, Inc.	133,830	87,250	221,080
Forman Bros., Inc.	138,561	34,100	192,661
Globe Distributing Co.	89,818	126,655	216,473
House of Stover	313,507	9,225	322,732
House of Wines	25,108	25,850	51,958
International Distributing Corp.	164,286	13,625	177,912
E. Kahn & Co., Inc.	354,653	15,120	369,683
Kronheim, M. S. & Sons, Inc.	388,069	55,650	443,719
Marglin & Sneed Sales Corp.	326,579	4,750	331,329
Middle Atlantic Distributors, Inc.	253,602	1,000	254,602
Mottman & Wolf, Inc.	30,014	43,400	73,414
National Distributors, Inc.	38,703	3,938	42,641
Paulsam Distributing Co.	10,225	54,645	64,870
Potomac Wine & Liquor Co.	232,387	1,250	233,637
Roma Wine & Liquor Co.		70,500	70,500
Southern Liquors, Inc.	7,975	21,459	29,434
Try-me Bottling Co.	208,377	48,375	256,752
Washington Wholesale Drug Exchange	1,388		1,388
Other wholesalers	57,381		57,381
Total	3,965,230	725,677	4,690,907

I am informed that in 1 year these firms purchase revenue stamps to cover 3,965,230 gallons of liquor; 725,677 gallons of wine; 588,009 barrels of 31 gallons each of beer.

I am putting in only a part of the table, but there are other figures here which indicate the retail prices, the wholesale prices, the mark-up of one-third, and indicate a net profit per annum of \$19,500,000 by some retail distributors and wholesalers.

Neither of these bills is entirely satisfactory to me. What I should like to

see is for the committee to bring into this House a bill providing for the sale of intoxicating liquors by the District government as a monopoly so that the District government could pick up this \$19,500,000 per annum profit on this distribution, just as many of our States do, particularly my home State of Michigan. That would make unnecessary the assessment of the 2-percent sales tax, the assessment of these increased real-estate taxes, the assessment of the additional contributions by the taxpayers who live out in my district and in your district, and the increased income tax; and the budget would be covered and you would have a premium, especially since you have in this proposed budget a nonrecurring item of \$5,000,000.

If this is not put in then I propose to vote for the substitute amendment.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. JONES of Alabama. Has the gentleman proposed any legislation along the lines he is suggesting at the moment?

Mr. CRAWFORD. No; because I am not on this committee.

Mr. JONES of Alabama. Did the gentleman avail himself of an opportunity to appear before the committee to advance it?

Mr. CRAWFORD. No; I did not. The responsibility is not mine; the responsibility is with this committee to raise the necessary money in the manner least burdensome to the people who pay taxes. I am not interested in the gentleman's proposition; I have heard it before, and I do not propose to assume a responsibility that is not mine. The responsibility of the Public Lands Committee is on my committee and not on the gentleman who just spoke, and I am not going to criticize him for not appearing before that committee. The responsibility is on the people of this House to raise revenue without forever and eternally raising taxes on the people in this country who are overburdened with taxes at the present time.

Mr. JONES of Alabama. I am trying to find out how effectively the gentleman has pursued his idea.

Mr. CRAWFORD. I decline to yield further, Mr. Chairman.

Of course, the liquor boys oppose this type of legislation; naturally they want to put the \$19,500,000 in their pocket-books; naturally they are in here with a bill to increase the price of retail liquor in this district so as to pick up another \$20,000,000. But I do not owe the liquor industry anything, and they have not enough money, influence, or power, to control my views. Suppose they should dispose of my life; what would that gain them? It would only cheat me out of a few days. That is my challenge in this matter.

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. CROOK and Mr. HOLIFIELD objected.

Mr. SMITH of Virginia. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 15 minutes, reserving the last 5 minutes to the committee.

The CHAIRMAN. The question is on the motion offered by the gentleman from Virginia [Mr. SMITH].

The question was taken, and the Chair being in doubt, the Committee divided; and there were—ayes 116, noes 42.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. CROOK].

Mr. CROOK. Mr. Chairman, in my estimation the sales tax is the most cleverly designed tax ever conceived by the ingenuity of man to take the burden off the big fellow's shoulder, the man of wealth, and place it on the shoulders of the workingman and the small man. That has been the history of the sales tax.

The other day we had round 1 on the sales tax and it was knocked out. Today somebody has rung the bell again and we have the second round. I hope it will be a complete knock-out so that it will never rise again.

I have noticed statements made here that the sales tax will only amount to \$19 per family. That has been quoted on this floor today. Suppose you buy an automobile, suppose you buy a house full of furniture, or whatever you buy, how are you going to get by on \$19 a year? It is a method of taxation that the big fellows put on the little fellows.

I have noticed in the last few days the papers have been running articles to play upon our sympathy. They say that you will have to close your schools, you will have to cut down on your health programs, you will have to close your swimming pools, and all these things that go for the betterment of humanity. You have the welfare of this city to take care of, and you should not do it by imposing a sales tax upon the small man.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I have heard it said repeatedly here that no other tax except a sales tax would pass this House. I would like to call to the attention of the Committee that there are a great many new Members here who have had no opportunity to vote on any other tax except a sales tax. I am wondering why the committee is so interested in ramming a sales tax through without trying some of these other taxes. I am wondering if somebody is interested in taking care of the liquor interests. I do not say we should raise the revenue on liquor taxes alone, but I believe a monopoly system such as we have in Ohio would go a long ways. I am wondering if there is any reason why the Federal Government should not pay its fair share to run this government. After all, this is a Federal city, and I do not think the people of any State would object to have a little bit of the income-tax money being used to pay a fair share by the Federal Government for the upkeep of the District of Columbia. We vote hundreds of millions of dollars for improvements and

water-power projects, and I am not against those. Then we talk about voting four or five million dollars for the Federal Government's share, and the committee says we should not do it.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GREEN].

Mr. GREEN. Mr. Chairman, I rise in support of the substitute offered by the gentleman from Utah [Mr. GRANGER]. When this House met 2 weeks ago we went on record against a sales tax. It seems as though the committee is definitely committed to a sales tax. I agree with the gentleman who preceded me on this floor that a sales tax is a most repressive tax, and I hope the Committee will once again defeat a sales tax in order that it will not be considered a good national tax by putting a sales tax on the District of Columbia. I heard someone say on the floor that this is an emergency tax; that this is a temporary measure. I have never seen any sales tax or any wage tax like we have in the city of Philadelphia put on the people with the understanding that it was going to be a permanent tax. But, once those taxes are placed on the people, they are never removed, because the money comes in so easily. There are other ways of raising money besides a sales tax, and this substitute provides that. So, I hope you support and vote for the substitute.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, I have been here for over 40 years—yes, this is my forty-third year—and ever since I have served in the House efforts have been made to impose a District of Columbia sales tax principally by those tax evaders who can best afford to pay taxes. I think it is the most unfair tax that can be levied against the people. I agree with the gentleman who preceded me that once you impose this tax it would be only the beginning of a movement all through the United States for a national sales tax. I feel we should be careful before we act. If we have the interests of the common people and wage earners at heart, it is our duty to vote for the substitute offered by the gentleman from Utah [Mr. GRANGER].

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I rise in support of the Granger amendment because it eliminates the sales tax. The sales tax is a subtraction from the purchasing power of the poor people who need all the purchasing power they can possibly get.

I wonder why the committee is so concerned about the ad valorem tax. In my city of Los Angeles we pay approximately \$3 per hundred. If you raise the present \$2 tax to the \$3 we pay in Los Angeles you will bring in the \$18,000,000 that you need, and you will not have to be worried about this.

I do not know why the property owners here should be given the best of the deal throughout the United States. It is certainly not because the income from their properties is less. Their rental incomes

from either business or residential property are much larger than in most cities of the Nation. Why should they not pay the extra \$1 tax, which will bring it up to the average rate of tax throughout the United States?

The Granger amendment will bring in \$5,000,000 in income tax, \$5,000,000 in ad valorem tax and \$4,000,000 in increased liquor taxes, which will give you the money that you need.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Chairman, of course, I am going to support the committee bill and oppose the Granger amendment. I do not even understand it. I do not think it has been read. I believe if the committee will bring in a bill providing for a real-estate tax on about the same level as that prevailing in other cities of 800,000 population, if it will increase the liquor tax, if it will give us a realistic income tax for the District, and then have a sales tax, you will have enough money so you will not have to come to the Federal Government constantly for an additional contribution to run the District of Columbia government. You will have money for schools and hospitals that are sadly needed. I believe that is the answer to it. You ought to have all of those taxes, not just one of them.

Mr. BUCHANAN. That is exactly what is in the current bill.

Mr. LECOMPTE. It has not even been read. I do not know what is in it. It has not been read to the House.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, the reason we are in this dilemma is just exactly the thing that happened in the full committee. While I do not like to disagree with the members of the Subcommittee on Fiscal Affairs, nevertheless they had the opportunity to discuss this matter and propose their remedy for the situation. We in the full committee devoted about 30 minutes to it. That is why we are in this dilemma.

When we offer a sales-tax plan here for the District of Columbia—a federally operated city—we are actually setting a pattern for the Nation, which is a contradiction of the Democratic platform and also the general purport of the Republican platform. We said in the Democratic platform of 1948 that we favor a reduction in taxes whenever it is possible to do so without unbalancing the Nation's economy. It advocates that any reductions give full measure of relief to low-income families. It charges that the Republican tax law ignored those who needed reductions most, and opposes a general Federal sales tax. Mind you now, we went on record as opposed to a general Federal sales tax.

In other words, we find ourselves in disagreement and contradictorily are setting a pattern for the District of Columbia that is actually apt to be looked upon as a pattern for a Federal sales-tax law in the entire Nation.

Now, just what do we offer as an alternative revenue plan for Washington, D. C.?

Here is a communication from today's Washington Post setting forth the views of the minority members of this committee:

A COMMUNICATION

ALTERNATIVE REVENUE PLAN FOR WASHINGTON (By six Members of the House of Representatives)

Your editorials, Pauperized Washington of March 16, and A Ward of Congress of March 19, charged that the Members of the House of Representatives who voted down the sales tax showed not the slightest regard for the real financial problems (of the District) and that their action was irresponsible.

Editorials like these serve only to confuse issues. We should like to take this opportunity to present a revenue program which will demonstrate that the situation is not as desperate as your newspaper would have the public believe. This program would yield more revenue than the sales-tax measure recently rejected by the House. It is also superior to the sales tax because it is more equitable, easier to administer, and will provide the basis for expanding revenues in the future to provide necessary services for District residents.

The program consists of the following: A broadened personal income tax which will tax all persons who reside in the District; a somewhat higher property tax; a larger Federal payment; and authorization to finance long-term improvements by borrowing.

The income-tax and property-tax features of this program are included in six identical bills which we introduced in the House last Tuesday. The increased Federal contribution and the repeal of the law of 1878 prohibiting the District from borrowing, will be included in other legislation.

The District of Columbia already has the elements of a good personal income tax. This produces a small amount of revenue at the present time because employees of the Federal Government domiciled elsewhere are specifically exempt. If this exemption for Federal workers were eliminated, the personal income tax would immediately yield at least an additional \$5,000,000 a year.

Opponents of a broader income tax have argued that it would result in double taxation, since some residents of the District pay tax to their home States. This double taxation charge is simply not true. Existing law already provides a credit for residents of the District who pay tax to other States for the full amount of such taxes paid.

Without further amendment, the law would provide the same credit to persons who would be subject to tax under the broadened income tax proposed here. Double taxation would, therefore, be impossible.

As a matter of fact, the credit for taxes paid to other States will not greatly reduce the yield of the tax for the following reasons: First, most District residents who are subject to income tax in their home States do not pay that tax because enforcement by State authorities is difficult and expensive.

Second, a few States do not tax domiciliaries if they do not reside there—for example, California and Idaho. New York exempts them providing they do not spend more than 30 days a year in the State. Third, 17 States do not levy a personal income tax and two States, New Hampshire and Tennessee, tax only income from intangibles. In total, double taxation of salaries earned by Federal Government employees is not possible in at least 22 States, even without the credit in the District law.

The estimated \$5,000,000 yield which would be obtained from the broadened income tax does not exhaust its revenue potentialities. Revenue can be increased by raising the rates and increasing progression. For example, the income tax provisions of the bill introduced last Tuesday would raise an additional \$10,-

000,000, or a total of \$15,000,000 more than the revenue from present law, when the \$5,000,000 produced by broadening the base is included.

In the immediate situation, it would be unnecessary to increase rates to higher levels than those provided under the new bill. It is well to note, however, that the rates in this bill are by no means excessive in comparison with rates in other States. Thus, the income tax could be made to produce even higher revenues without unduly burdening District residents.

Increased revenue requirements can, therefore, be met by way of the income tax even if this bill were adopted. Clearly, it is prudent and sound policy to anticipate the need for further revenue and there is no more equitable way to provide for such expansion than by the income tax.

Proponents of the sales tax will argue that Congress has voted down a comprehensive income tax in the past and will also point out that the Klein bill was defeated by the present House during the sales-tax debate. The performance of past Congresses is, however, no indication of how the new Congress will act, nor can the vote on the Klein bill be taken as conclusive.

The vote on the Klein bill was less than half the total vote on the sales tax. A number of influential Members of the House have stated publicly that they support a sales tax only as a last resort. If they were to vote for the newly introduced bill, their vote added to the vote polled against the sales tax would be sufficient to pass that bill by a substantial margin.

The property tax in the District of Columbia may be low by comparison with other large cities in the country. There is no easy method to make such a comparison since the valuations in the various cities differ substantially. Even if it is granted that the District property tax is relatively low, this is by no means a justification for increasing it substantially.

Basically, the property tax is subject to the same criticism as the sales tax: it tends to be more burdensome on low-income families than on those in the higher-income levels. Moreover, under rent control, a large increase in the property-tax rate is likely to be fully shifted to renters, many of whom are already hard-pressed by high prices for the necessities of life.

In view of these considerations, the property-tax rate might be increased, but in the interest of equity, by no more than 25 cents per \$100 assessed valuation. This would mean a 12.5-percent increase, or about \$4,000,000.

The Federal contribution to the District of Columbia has varied considerably since it was formally adopted. The first formula adopted by Congress in 1878, provided a contribution of 50 percent of total District expenditures. This formula remained unchanged, until 1921, when Congress reduced the Federal contribution to 40 percent of District appropriations. However, the 40-60 formula was superseded by lump-sum contributions beginning in 1925.

Lump-sum contributions have varied as follows since the fiscal year 1925:

Fiscal years—	
1925-30	\$9,000,000
1931-32	9,500,000
1933	7,775,000
1934-36	5,700,000
1937-39	5,000,000
1940-46	6,000,000
1947	8,000,000
1948-49	12,000,000

¹ Includes \$1,000,000 contribution to the water fund.

During the period 1925-30, expenditures from the general fund varied between thirty million and forty million, and the nine mil-

lion contribution of the Federal Government in these years varied between 21 and 32 percent of general-fund expenditures. The general fund has reached almost ninety million in the current fiscal year and the Federal contribution to the general fund of eleven million is only slightly more than 12 percent.

There seems to be no question that a significant proportion of the increase in expenses is due to the increased cost of services to the Federal Government. Such costs have increased both because the Federal Government has enlarged its property holdings and also because the costs of running local government, like all costs, have been increased by the war and the postwar rise in prices. Clearly, it would be unfair to expect District residents to pay for higher costs of services rendered to the Federal Government.

Whether or not a formula is reintroduced or the lump-sum contribution is continued, it is obvious that the present twelve million contribution is wholly inadequate. A minimum increase of five million in the permanent contribution is essential.

The District government must finance all long-term improvements and construction projects out of current revenues. Elsewhere in the country, such improvements are almost always financed out of borrowed funds. Private business also finances long-term construction either by issuing bonds or by borrowing from banks or insurance companies. This practice is so widespread because it is a sound and businesslike approach.

Necessary improvements and construction projects in the District have been delayed by the wartime and postwar shortages. The need for many improvements is urgent and cannot be put off longer without seriously undermining the education, hospital, public welfare, and other programs. It would be impossible to provide even for minimum needs out of current revenue. The District is one of the wealthiest communities in the country, and its credit rating would be excellent. It is, therefore, both essential and safe to permit the District of Columbia to borrow funds for construction of long-term improvements.

In summary, the revenues which might be obtained from the sources enumerated above are:

Personal income tax	\$15,000,000
Property tax	4,000,000
Subtotal from District sources	19,000,000
Federal contribution	5,000,000
Total from all sources	24,000,000

The financial situation in the District is by no means desperate, with revenue possibilities of these magnitudes available to be tapped. The program outlined above is a moderate and equitable one and, as already noted, will provide substantially more revenue than the sales tax. Its adoption would enable the District to proceed with plans for improvement in current services to District residents. If, in addition, it is allowed to borrow funds for construction purposes, the District will have the elements of a sound fiscal structure which can well serve as a model to other communities, as it should.

JOHN F. KENNEDY,
Massachusetts.
W. K. GRANGER,
Utah.
FRANK BUCHANAN,
Pennsylvania.
GEORGE P. MILLER,
California.
ARTHUR G. KLEIN,
New York.
JAMES H. MORRISON,
Louisiana.

WASHINGTON.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. SMITH] to close debate on the substitute amendment.

Mr. SMITH of Virginia. Mr. Chairman, many of us have heard this same kind of debate over the years. It has been said that there have not been any hearings on the income tax and the subject has not been considered. In 1947 this volume of 1,100 printed pages was taken on the whole tax situation, resulting in the recommendation that the House adopt an income tax similar to the one proposed in this amendment. In the following year, 1948, the committee held further hearings, after we were defeated on the income tax and we brought in the sales tax. The House, just as happened the other day, debated that at great length. The House passed a sales tax last year, but it was not reached on the Senate docket. This year we have discussed those subjects again in the committee hearing. Here are the results of those hearings.

Over on that side of the desk is a great pile of printed hearings, which have been held in previous years.

Let us talk about the income tax. Gentlemen come here and say, "Put on an income tax and that will solve all your difficulties." That is what we did 2 years ago. Here is the vote on it: When we proposed the same type of income tax that these gentlemen are asking for, the House voted it down on a motion to recommit by a vote of 222 to 78. That is what you did in the House to the income-tax proposal.

Let us see who voted against the income tax. There was not a Member that is in the House today making the fight on the sales tax who voted for the income-tax bill at that time. It is very well to stand up here and say, "Do not do this; tax somebody else," but as soon as we try to tax somebody else, somebody gets up here and says, "No, do not do that; tax someone else." Now, how are you going to get a tax bill with that sort of situation? You have reached the point where we must balance the budget of the District of Columbia, or adopt the proposal made in the other body to impose on your taxpayers back home \$30,000,000 in order to permit the residents of the District of Columbia to dodge their just responsibility and share of the taxes. Is that what you want to do? Or do you want to follow what your committee proposes; namely, to give them a fair, just, and honest tax bill.

Mr. Chairman, I was very much impressed, as I am sure all the Members were, with what the gentleman from Michigan [Mr. CRAWFORD] had to say. The gentleman said that we ought not to do this, but what we ought to do is to take over the liquor business in the District of Columbia as a government monopoly and sell liquor, so that nobody could make a profit on that business.

When the bill to license the sale of liquor in the District of Columbia came up, I was a member who got up and tried to do the very thing that the gentleman from Michigan [Mr. CRAWFORD] is talking about today. I offered a substitute to put it on a monopoly basis, so that nobody

would make a dollar out of the liquor business in the District of Columbia. What happened to me? Oh, I was voted down again. They said, "Oh, no; we must tax somebody else. We have to do this thing in some different way."

Gentlemen, we have reached the crux of this situation. We have brought you the best bill that we know how. We do not know and you do not know what is in the substitute bill. The only thing I know is that you voted down the 3-percent basis on the income tax 2 years ago. Now it has been raised to 5 percent and if you would not vote for it on the 3-percent basis, I am sure you would not want to vote for it on a 5-percent basis.

It has been suggested here that the sales tax goes on the poor man and the income tax does, too. In order to answer that argument, we have raised the exemption on the income tax to \$4,000. With the usual family exemption and expenses, nobody with an income of less than \$5,000 will ever pay a dollar of income tax in the District of Columbia under our bill.

Mr. Chairman, I hope the Committee will vote down this amendment and pass the measure as we have brought it to you.

Mr. HUBER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HUBER moves that the Committee do now rise and report the bill back to the House with instructions to strike out the enacting clause.

Mr. HUBER. Mr. Chairman, it appears to me that the District Committee has been a little bit hasty in drafting this bill. I hold in my hand a copy of today's Washington News. It says the sales-tax bill gives a 25-percent profit to retailers. I am sure there is no Member of the House who is anxious to give a special windfall to any of the retailers of the District of Columbia. It seems to me they are doing quite well. OPA was taken off a long time ago and they are able to charge whatever the traffic will bear. This article refers to the sugar-coated substitute which we are considering today that provides for District collection of the tax by placing a 2 percent levy on gross sales of the vendor. Maybe all the facts have not been considered according to this item. They made a survey and I assume it was an accurate one. The vendor or the retailer collects the tax on each small item, 1 cent on purchases from 14 cents to 63 cents; 2 cents on purchases of 64 cents, and so forth. The difference between the retailer's method of collection from the customer and the method of payment would mean quite a bit extra added profit.

Then they go on to cite a specific case where they interviewed a druggist. They obtained 58 sample items, ranging from a 14-cent bottle of aspirin to \$2.96 packages of vitamin pills. The total income from all sales of these items in February was \$3,000. The retailer, under the pending bill, would pay 2 percent on this to the District, or \$60.14. Collections from customers, however, would total \$84.22, in taxes on these items, a difference of

\$24.08. There is just one case selected at random from thousands of retailers. I am sure that no Member of this House wants to sponsor or support legislation that is going to enable the several retail dealers of the District of Columbia to make an abnormal profit.

They might use the argument that they need a little extra revenue to compute the tax. It takes a very short time to compute 2 percent. That has been the history of sales taxes wherever they have operated. That is why you will find that the sales tax proposition is the darling of the various merchants' associations, because they always get a pretty fair cut between the amount they collect and the amount that they turn back to the tax collector.

If any Member supports this bill, in view of the evils that I have pointed out that will exist, I think they will be making a mistake. I think it is important that we adopt the Granger substitute, and I hope it will have your support.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. HUBER] has expired.

Mr. SMITH of Virginia. Mr. Chairman, I rise in opposition to the motion.

I am surprised, Mr. Chairman, that the gentleman from Ohio [Mr. HUBER] should accept a statement by a newspaper in preference to a statement of a committee of this House that has considered the bill so long.

Now, what happened in the article is this: Ordinarily in collecting this tax a 3-percent allowance is made to the merchant for his service in collecting the tax. On the contrary, this committee struck that out. We do not allow him anything for collecting the tax. The fallacy of that newspaper article is that there are a great many articles under 15 cents, and between 50 and 63 cents, and between \$1 and \$1.13 where the merchant pays the tax that he never collects. Suppose he has a great predominance of 10-cent sales, such as the 10-cent store. They have to pay 2 percent on their gross sales. Yet on every sale under 13 cents they do not collect any tax. So that in many instances they are losing on it instead of gaining on it.

Based on the experience as was detailed in the hearings we had, we thought it was the fair thing to raise this differential on the sales between 51 cents and 63 cents and that the situation, based on experience, would even itself out.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HARRIS. Is it not a fact that there are 26 States in the Union that have a sales tax, and the majority of those States collect the tax as provided in this bill and there has never been any contention whatsoever that there is any windfall to the retail merchant?

Mr. SMITH of Virginia. That is the experience in the States.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. BATES of Massachusetts. Is it not a fact that in addition to the 25 States there are about 135 cities and

towns that have a sales tax in the country?

Mr. SMITH of Virginia. I so understand.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. TALLE. Is it not true that in the State of Maryland the merchants are permitted to retain for themselves 3 percent of the amounts collected as a service charge?

Mr. SMITH of Virginia. Maryland pays the merchants 3 percent.

Mr. TALLE. A similar provision was in this bill originally and the committee struck it out. Is that not right?

Mr. SMITH of Virginia. We struck it out; we did not give them any windfall. Do not worry yourselves any about that.

Mr. BUCHANAN. Mr. Chairman, if the gentleman will yield, in relation to the statement of the gentleman from Michigan, 22 States have a general sales tax, and some others have what they call a general purpose tax.

Mr. SMITH of Virginia. There was evidence before our committee to the effect that either 26 or 27 States had a sales tax.

Mr. BUCHANAN. New York and Pennsylvania have special purpose taxes.

Mr. SMITH of Virginia. Many States do not have a sales tax but do have what they call excise taxes. For instance, take the tax on cigarettes, which is in effect almost all over the country, of 2 and 3 cents a package. This amounts to a tax of between 12 and 15 percent on cigarettes. They have a lesser tax on selected articles in many States, but the tax we propose for the District does not go nearly that high.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. SADOWSKI. Why is it the gentleman's committee has never increased the real-estate tax? We pay three or four times the rate here in the District.

Mr. SMITH of Virginia. Mr. Chairman, I decline to yield further.

The real-estate tax has been increased 32 percent already; we now propose to increase it further by 15 cents, which will mean a net to the taxpayer of the District of Columbia on his ad valorem of 40 percent in 2 years.

I heard this discussion the other day about that tax. We got the Assessor of the District of Columbia to go into nearby Maryland and find houses constructed identically as the houses in Washington, houses identically similar, built by the same contractor, and find out what the taxes were. He came back and told me that in every case the tax in the District of Columbia was greater on identical houses than it was in Maryland.

Mr. SADOWSKI. But your tax rate is only \$20 a thousand in the District of Columbia.

Mr. SMITH of Virginia. The gentleman evidently does not understand the situation; he confuses the tax rate with the rate of assessment. There was an increase in the tax rate, and this together with the increase in the assessed value in 1948 that is included in our bill will make the individual tax bill 47.4 percent higher than what it was 2 years ago.

Mr. SADOWSKI. That is all right; still their rate is only \$20 per thousand.

The CHAIRMAN. The time of the gentleman from Virginia has expired; all time has expired.

Mr. HUBER. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah.

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 90, noes 115.

Mr. KENNEDY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. McMillan of South Carolina and Mr. Granger.

The Committee again divided, and the tellers reported that there were—ayes 100, noes 130.

So the amendment was rejected.

The Clerk read as follows:

TITLE IV—AMENDMENTS TO ARTICLE I OF THE DISTRICT OF COLUMBIA REVENUE ACT OF 1947

Article I of the District of Columbia Revenue Act of 1947, approved July 16, 1947, as amended, is further amended as follows:

Paragraph lettered (s) of section 4 of title I of article I of said act is amended to read as follows:

"(s) The word 'resident' means every individual domiciled within the District on the last day of the taxable year, and every other individual who maintains a place of abode within the District for more than 7 months of the taxable year, whether domiciled in the District or not. The word 'resident' shall not include any elective officer of the Government of the United States or any employee on the staff of an elected officer in the legislative branch of the Government of the United States if such employee is a bona fide resident of the State of residence of such elected officer, or any officer of the executive branch of such Government whose appointment to the office held by him was by the President of the United States and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States, unless such officers are domiciled within the District on the last day of the taxable year."

Sec. 2. Paragraph lettered (u) of section 4 of title I of article I of said act is amended by adding thereto the following new subparagraph:

"(9) The spouse of the taxpayer, if living with the taxpayer on the last day of the taxable year."

Sec. 3. Section 2 of the title III of article I of said act is amended by adding thereto the following new subsection:

"(c) Adjusted gross income: The words 'adjusted gross income' as used in this article mean gross income less deductions allowed under section 3 (a) of this title: *Provided, however, That such deductions were directly incurred in carrying on a trade or business: And provided further, That in determining adjusted gross income, no deductions shall be allowed for charitable contributions, alimony payments, medical and dental expenses, an optional standard deduction, losses of property not connected with trade or business, or for an allowance for salaries or compensation for personal services of the person or persons liable for the tax.*"

Sec. 4. Section 3 (a) (1) of title III of article I of said act is amended to read as follows:

"(1) Expenses: All the ordinary and necessary expenses paid or incurred during the

taxable year in carrying on any trade or business (except as otherwise provided herein), traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business; and rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity."

Sec. 5. Section 3 (a) (4) (C) of title III of article I of said act is amended to read as follows:

"(C) of property not connected with a trade or business, if such losses arise from fires, storms, shipwrecks, thefts, or other casualty: *Provided, however, That no such loss shall be allowed as a deduction under this subsection if such loss is claimed as a deduction for inheritance—or estate—tax purposes: And provided further, That this subsection shall not be construed to permit the deduction of a loss of any capital asset as defined in this article.*"

Sec. 6. Section 3 (a) (8) of title III of article I of said act is amended to read as follows:

"(8) Charitable contributions: Contributions or gifts, actually paid within the taxable year to or for the use of any religious, charitable, scientific, literary, military, or educational institution, the activities of which are carried on to a substantial extent in the District, and no part of the net income of which inures to the benefit of any private shareholder or individual: *Provided, That such deduction shall be allowed only in an amount which in the aggregate of all such deductions does not exceed 15 percent of the adjusted gross income.*"

Sec. 7. Section 3 (a) (9) of title III of article I of said act is amended to read as follows:

"(9) Medical, dental, and so forth expenses of individuals: Expenses in the case of residents, paid by the taxpayer during the taxable year, not compensated for by insurance or otherwise, for the medical care of the taxpayer, his spouse, or dependents as defined in this article. The term 'medical care,' as used in this subsection, shall include amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of diseases, or for the purpose of effecting healthier function of the body (including amounts paid for accident or health insurance): *Provided, however, That a taxpayer may deduct only such expenses as exceed 5 percent of his adjusted gross income: And provided further, That the maximum deduction for the taxable year shall not exceed \$1,250.*"

Sec. 8. Section 3 (a) (13) of title III of article I of said act is amended to read as follows:

"(13) In lieu of the foregoing deductions, any resident may irrevocably elect to deduct for the taxable year an optional standard deduction of 10 percent of the net income or \$500, whichever is lesser: *Provided, however, That the option provided in this subsection shall not be permitted on any return filed for any period less than a full calendar or fiscal year.*"

Sec. 9. Section 3 (a) of title III of article I of said act is amended by adding thereto a new subsection to read as follows:

"(15) Reasonable allowance for salaries: A reasonable allowance for salaries or other compensation for personal services actually rendered: *Provided, however, That in the case of an unincorporated business the aggregate deduction for services rendered by the individual owners or members actively engaged in the conduct of the unincorporated business shall in no event exceed 20 percent of the net income of such business computed without benefit of this deduction: Provided, further, That nothing herein contained shall be construed to exempt any salary or other compensation for personal serv-*

ices from taxation as a part of the taxable income of the person receiving the same."

SEC. 10. Section 4 of title IV of article I of said act is amended to read as follows:

"Sec. 4. Installment sales: If a person reports any portion of his income from installment sales for Federal income-tax purposes under section 44 of the Federal Internal Revenue Code and as the same may hereafter be amended, and if such income is subject to tax under this article, he may report such income under this article in the same manner and upon the same basis as the same was reported by him for Federal income-tax purposes, if such method of reporting is accepted and approved by the Commissioner of Internal Revenue."

SEC. 11. Subsections (a) and (b) of section 2 of title V of article I of said act are amended to read as follows:

"(a) Residents and nonresidents: Every nonresident of the District receiving income subject to tax under this article and every resident of the District, except fiduciaries, when—

"(1) his gross income for the taxable year exceeds \$4,000; or

"(2) his gross sales or gross receipts from any trade or business, other than an unincorporated business subject to tax under title VIII of this article, exceeds \$4,000, regardless of the amount of his gross income; or

"(3) the combined gross income for the taxable year of husband and wife living together exceeds \$4,000 and each spouse has a gross income in excess of \$500, or the gross sales or gross receipts received or accrued by such husband and wife from any trade or business, other than an unincorporated business subject to tax under title VIII of this article, in the aggregate exceeds \$4,000. In such cases a separate return shall be filed by each spouse, showing his respective portion of such gross income, gross sales, or gross receipts as the case may be, and no joint return of income or computation thereof by them shall be required or permitted under this article except such returns as are required under section 2 (c), 2 (f), and 2 (g) of this title.

"(b) Fiduciaries: Every fiduciary (except a receiver appointed by authority of law in possession of part only of the property of an individual) for—

"(1) every individual for whom he acts having a gross income for the taxable year of \$4,000 or over, regardless of the amount of the individual's net income;

"(2) every estate for which he acts, the gross income of which for the taxable year is \$4,000 or over, regardless of the amount of the net income of the estate; and

"(3) every trust for which he acts, the net income of which for the taxable year is \$100 or over."

SEC. 12. Section 2 of title VI of article I of said act is hereby amended to read as follows:

"Sec. 2. Personal exemptions and credit for dependents: There shall be allowed to residents the following credits against net income:

"(a) An exemption of \$4,000 for the taxpayer.

"(b) An exemption of \$500 for each dependent, as defined in this article, whose gross income for the calendar year in which the taxable year of the taxpayer begins is less than \$500.

"(c) Beginning with the first taxable year to which this article is applicable and in succeeding taxable years, the amount allowed under subsection (a) of this section shall be prorated to the day of death in the final return of a decedent dying before the end of the taxable year, and as of the date of death the personal exemption is terminated and not extended over the remainder of the taxable year.

"(d) In the case of a return made for a fractional part of a year, the personal exemption and credits for dependents shall be reduced, respectively, to amounts which bear the same ratio to the full credits provided as the number of months in the period for which the return is made bears to 12 months."

SEC. 13. Section 3 of VI of article I of said act is amended to read as follows:

"Sec. 3. Imposition and rate of tax: There is hereby annually levied and imposed for each taxable year upon the taxable income of every resident a tax at the following rates:

"One and one-half percent on the first \$5,000 of taxable income.

"Two percent on the next \$5,000 of taxable income.

"Two and one-half percent on the next \$5,000 of taxable income.

"Three percent on the taxable income in excess of \$15,000."

SEC. 14. Section 4 of title VI of article I of said act is repealed.

SEC. 15. Section 5 of title IX of article I of said act is amended by adding thereto the following new subsections:

"(d) There shall be allowed to an estate the same exemption as is allowed residents under the provisions of section 2 (a) of title VI of this article.

"(e) There shall be allowed to a trust a credit against net income of \$100."

SEC. 16. (a) Section 1 of title VIII of article I of said act is amended by adding thereto the following new sentence: "The rental of real and personal property shall be deemed a trade or business within the meaning of this article."

(b) Section 4 of title VIII of article I of said act is amended by striking out the figure "\$10,000" and inserting in lieu thereof the figure "\$5,000."

SEC. 17. Section 10 (a) (4) of title XII of article I of said act is amended to read as follows:

"(4) for the purposes of subsections (a) (1), (a) (2), and (a) (3), a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day."

SEC. 18. The proviso to section 11 of title XII of article I of said act is amended to read as follows: "Provided, That if it shall be determined by the Assessor, the Board of Tax Appeals for the District of Columbia, or any court that any part of any tax which was assessed as a deficiency under the provisions of section 5 of this title was an overpayment, interest shall be allowed and paid upon such overpayment of tax at the rate of 4 percent per annum from the date such overpayment was paid until the date of refund, and in addition thereto any interest upon such overpayment which was paid by the taxpayer shall be refunded."

SEC. 19. Section 1 of title XIV of article I of said act is amended by striking out the period at the end of the paragraph, inserting a colon, and the following: "Provided, however, That any unincorporated business having a gross income for the taxable year of \$5,000 or less shall not be required to obtain the license provided for in this title."

SEC. 20. Section 2 (b) of title III of article I of said act is amended by adding thereto the following new paragraph:

"(14) Dues and initiation fees in the case of any club organized and operated exclusively for pleasure and recreation, no part of the net earnings of which inures to the benefit of any private individual or shareholder. As used in this subsection, the word 'dues' means only sums paid or incurred by members on a monthly, quarterly, annual, or other periodic basis for the privilege of being members of such club and any prorate assessment made against the members as such; the word 'dues' does not include any sums paid or incurred by members or their guests for food, beverages, or other

tangible personal property purchased or for the use of the club's social, athletic, sporting, and other facilities; and the term 'initiation fees' includes any payment, contribution, or loan, required as a condition precedent to membership, whether or not any such payment, contribution, or loan is evidenced by a certificate of interest or indebtedness."

SEC. 21. The provisions of sections 1, 2, 8, 11, 12, 13, and 14 of this title shall be applicable to taxable years beginning after the 31st day of December 1949, and the provisions of all other sections shall be applicable to taxable years or portions thereof beginning after the 31st day of December 1948.

TITLE V—AMENDMENTS TO THE DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT, APPROVED JANUARY 24, 1934, AS AMENDED

Section 11 of the District of Columbia Alcoholic Beverage Control Act, approved January 24, 1934, as amended, is hereby further amended as follows:

(a) The next to the last sentence of subsection (a) of said section is amended to read as follows: "The annual fee for such license for a rectifying plant shall be \$5,775; for a distillery shall be \$5,775; and for a winery shall be \$825: *Provided, however,* That if a manufacturer shall operate a distillery only for the manufacture of alcohol and more than 50 percent of such alcohol is sold for nonbeverage purposes, the annual fee shall be \$1,650."

(b) The figure "\$2,500" appearing in the last sentence of subsection (b) of said section is stricken out and the figure "\$4,125" is inserted in lieu thereof.

(c) The figure "\$1,500" appearing in the last sentence of subsection (c) of said section is stricken out and the figure "\$2,475" is inserted in lieu thereof.

(d) The figure "\$750" appearing in the last sentence of subsection (d) of said section is stricken out and the figure "\$1,250" is inserted in lieu thereof.

(e) The figure "\$750" appearing in the last sentence of subsection (e) of said section is stricken out and the figure "\$1,250" is inserted in lieu thereof.

(f) The figure "\$100" appearing in the last sentence of subsection (f) of said section is stricken out and the figure "\$165" is inserted in lieu thereof.

(g) The second paragraph of subsection (g) of said section is amended to read as follows:

"The fee for such a license shall be for a restaurant, \$825 per annum; for a hotel, under 100 rooms, \$825 per annum; for a hotel of 100 or more rooms, \$1,650 per annum; for a club, \$425 per annum; for a marine vessel serving meals in interstate commerce of 100 miles or more and for each railroad dining car or club car, \$3 per month, or \$20 per annum: *Provided,* That such a license may be issued to any company engaged in interstate commerce covering all dining, club, and lounge cars operated by such company on railroads within the District of Columbia upon the payment of an annual fee of \$100; for all other passenger-carrying marine vessels serving meals, \$75 per month or \$825 per annum."

(h) The second paragraph of subsection (h) of said section is amended to read as follows:

"The annual fee for such a license shall be \$330; except that in the case of a marine vessel the fee shall be \$30 per month or \$330 per annum, and in the case of each railroad dining car or club car \$1.50 per month or \$15 per annum: *Provided,* That such a license may be issued to any company engaged in interstate commerce covering all dining, club, and lounge cars operated by such company on railroads within the District of Columbia upon the payment of an annual fee of \$50."

(i) The figure "\$25" appearing in the last sentence of subsection (i) of said section is stricken out and the figure "\$40" is inserted in lieu thereof.

(j) The figure "\$5" appearing in the last sentence of subsection (j) of said section is stricken out and the figure "\$7.50" is inserted in lieu thereof.

SEC. 2. Notwithstanding the provisions of this act, where prior to the effective date of this act a solicitor's license has been issued which sets forth the name of more than one vendor the solicitor may continue to offer for sale or to solicit orders from licensees for the sale of any beverage on behalf of any vendor named in such license until the expiration of such license.

SEC. 3. The figure "\$25" appearing in section 16 of said act is stricken out and the figure "\$100" is inserted in lieu thereof.

SEC. 4. Section 14 of the act entitled "An act to establish a program for the rehabilitation of alcoholics, promote temperance, and provide for the medical and scientific treatment of persons found to be alcoholics by the courts of the District of Columbia, and for other purposes," approved August 4, 1947, is amended to read as follows:

"SEC. 14. Six percent of the annual fees for licenses for the manufacture or sale of alcoholic beverages, except for retailer's license, class E, imposed by section 11 of the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby permanently appropriated to carry out the purposes of this act."

SEC. 5. The provisions of this title shall become effective on the first day of the first month succeeding the sixtieth day after the approval of this act.

TITLE VI—INCREASE IN RATE OF TAXATION ON REAL PROPERTY

For the fiscal year ending June 30, 1950, the rate of taxation on real property in the District of Columbia shall not be less than 2.15 percent on the assessed value of such property.

TITLE VII—SEPARABILITY CLAUSE

If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act, and the application of such provision to the other persons or circumstances, shall not be affected thereby.

Mr. SMITH of Virginia (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point thereof.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MILLER of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time in order to make my position very clear. I have tried to see the printed hearings on this bill. They were not available when the previous bill was up for consideration. That question came up in committee the other day. We were told that they would be made available to Members of the committee other than members of the Fiscal Affairs Subcommittee. They have not been made available to other members of the committee, and as a member of the Committee on the District of Columbia it has never been my privilege to see those hearings. I submit to any of you that you cannot vote or act

intelligently on any legislation if you have not the privilege of at least seeing the reports of the printed hearings on a bill in order that you may study and make some independent judgment of the bill itself. I realize the necessity for raising revenue, but I also have a conscience in these matters, and I am not going to be stampeded into voting for a bill by virtue of the fact that people come here and tell you what took place in 1947 and 1948. It was not until this morning that I succeeded in getting hold of the majority report on this bill. I would like to direct your attention to part of the basic data in this report, and I read from page 13 of the report submitted by Mr. Manning, who was supposed to have made a study of this subject, in which he says:

It is important in using the materials here presented to understand the limitations on their accuracy. Certainly, no accuracy in the accounting sense should be expected. Only rough approximations that give a general picture are intended.

It is on such language as that that the majority of this committee is presenting to this House recommendations for important legislation that would foist on the poor people of the District of Columbia a sales tax.

The other day when I questioned a very sincere and honorable Member of the House on the floor as to the amount of this tax he gave me a figure of \$19 per family. I rose in my place and asked him if that was \$19 a person or \$19 a family, and he answered \$19 per family. I was not prepared to controvert it at the time, so I sat down. May I pay my respects to the gentleman from Alabama [Mr. JONES] that when he did have a chance to check the figures he called my attention to the error that was made, and I appreciate his sincerity in doing so.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield.

Mr. JONES of Alabama. I am very sorry that I did give the gentleman those erroneous figures at that time, and I am very happy he has brought it to the attention of the Committee.

Mr. MILLER of California. I thank the gentleman for his contribution, but I again point out to the House that that is the type of information on which we are asked to pass a sales tax. I say to you we are acting precipitously. We cannot get good legislation, a sound type of legislation, when we base it on hastily collected data that is subject to question, and to those of us on this side, we are in violation of the pledged platform of the Democratic Party.

Mr. SASSCER. Mr. Chairman, I offer an amendment.

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent that all debate on the bill close in 15 minutes, reserving 5 minutes to the committee.

Mr. HAYS of Ohio. I object, Mr. Chairman.

Mr. SMITH of Virginia. Mr. Chairman, I move that all debate on the bill close in 15 minutes, reserving 5 minutes to the committee.

The motion was agreed to.

The Clerk read as follows:

Amendment offered by Mr. SASSCER: On page 12, line 19, strike out all of paragraph (o) and insert in lieu thereof the following:

"(o) (1) Sales of medicines and drugs;

"(2) Sales of other pharmaceuticals made on prescriptions of duly licensed physicians and surgeons and general and special practitioners of the healing art."

Mr. SASSCER. Mr. Chairman, this amendment is similar to an amendment which I offered when this bill was before the House some days ago, with a change which is intended to meet the objection which was then made to the amendment. The bill, as presented, exempts medicines, pharmaceuticals, and drugs provided they are on doctor's prescription, or on prescription of special practitioners. The purpose of the amendment, when I offered it before, and the purpose now, is to exempt drugs and medicines, whether on prescription or not. Objection was made by one of the members of the committee, I think by my esteemed colleague, the gentleman from Nebraska, Dr. MILLER, that the word "pharmaceuticals" would possibly let down the barriers, due to the fact that there are many items sold in drug stores that are not drugs, but might be considered pharmaceuticals. I do not think that is a valid objection, because the same thing would apply if a prescription was given for a hair tonic, or something of that nature.

That would still come under the bill as now drawn. I am sure that we are correct in assuming that a druggist would use the same degree of fairness in the matter of issuing prescriptions. We know that he would not violate his integrity.

However, to remove that objection, I change the wording of the amendment to read:

"(1) Sales of medicines and drugs"—that is they are exempted whether on prescription or not, because there is no question about a bottle of sirup of figs or teething sirup or other home remedies or drugs. Therefore, they are easy to define. I have left the word "pharmaceuticals" in the bill, provided they are on prescription. In other words, after breaking it down into two categories, and exempting home remedies, and in order to meet the objection which was raised before, I have required that the pharmaceuticals be on prescription.

Briefly, this amendment seeks to avoid the payment of a sales tax on these little simple home remedies where the mother, without going to a doctor to get a prescription, possibly because she is unable to do so financially, sends little Willie down to the corner drug store to get some teething sirup for the baby, or some cascara or sirup of figs. My amendment says that she would not have to pay the sales tax. Under this bill, if they are able to go to the doctor and get the prescription and get those same items, they would not have to pay the tax.

I have met the objection as to the break-down on pharmaceuticals, because they still have to be prescribed. I have had to go that far in changing my amendment. I think it is important to

exempt those items. I think this amendment is such that everybody can vote for it. Those who favor the sales tax and say that they do not want to include necessities realize, of course, that these home remedies are necessities. Others who say that they do not want it to fall hard on the shoulders of those less able to pay certainly can vote for this amendment, because these home remedies are usually bought by people who are probably less able to pay the sales tax than anyone else.

So both the proponents and opponents can vote for it and still keep true to their philosophy. All we are doing is to exempt children's home remedies for mothers who do not get a doctor's prescription.

Mr. SMITH of Virginia. Mr. Chairman, I realize there is a great deal of merit in what the gentleman from Maryland [Mr. SASSCER] said. In fact, we discussed it at some length in the committee, and we reached the conclusion that the language we had in the bill was the most practical, because any other language would create a great deal of confusion.

What is a medicine? I have heard many people argue that whisky was a good medicine at times, if you got a little damp. What is a medicine? You will have the utmost confusion unless you have this thing very clearly defined in determining what is subject to a tax.

I recognize there is merit in the gentleman's argument, but I do hope the committee will vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. SASSCER].

The amendment was rejected.

Mr. DONDERO. Mr. Chairman, I offer an amendment, which is on the desk.

The Clerk read as follows:

Amendment offered by Mr. DONDERO: On page 55, strike out all of line 1 beginning with the letter "A", all of lines 2, 3, 4, and 5, and the letter "B" in line 6.

Mr. SMITH of Virginia. The gentleman from Michigan spoke to me about this amendment. I do not know that the committee has any particular objection to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. DONDERO].

The question was taken; and on a division (demanded by Mr. DONDERO) there were—ayes 107, noes 66.

So the amendment was agreed to.

Mr. HUBER. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HUBER: On page 10, line 10, after line 10 add another subsection, as follows:

"(d) On each 8 cents sale price for any cigar, cigarette, or tobacco, 1 cent."

Mr. HUBER. Mr. Chairman, if you really want to raise revenue for the District, here is revenue-raiser No. 1. This amendment will personally cost me 4 cents or more a day. It is simply a tax on each package of cigarettes. Ohio, Pennsylvania, and practically every

other State in the Union has a similar tax. I see no reason why the District of Columbia should not have it. I have also included cigars and other package tobacco. If anybody can tell me any reason why we should not have a District tax on tobacco when we are taxing the food to keep life in the bodies of the underprivileged, I would like to know it.

Mr. SMITH of Virginia. Does the gentleman understand that we do have it under the sales tax? They are included in the sales tax.

Mr. HUBER. This will put a 2-cent tax on each package of cigarettes.

Mr. SMITH of Virginia. In addition to the sales tax?

Mr. HUBER. Mr. Chairman, if other States can pay 4 cents a package, the District of Columbia can pay 2. You might bear this in mind. Sometime ago cigarettes went up about three cents a thousand, I believe, but these distributors of cigarettes here in the District still charge 20 cents a package; so here is a chance to raise revenue for the District of Columbia.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. HUBER) there were—ayes 98, noes 105.

Mr. HUBER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. HUBER and Mr. McMILLAN of South Carolina.

The Committee again divided; and the tellers reported that there were—ayes 92, noes 106.

So the amendment was rejected.

Mr. McMILLAN of South Carolina. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. McCORMACK, having resumed the chair, Mr. Boggs of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3704) to provide additional revenue for the District of Columbia, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. McMILLAN of South Carolina. Mr. Speaker, I move the previous question on the bill and amendment thereto to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. NELSON. Mr. Speaker, I offer a motion to recommit.

Mr. GRANGER. Mr. Speaker, I ask for the reading of the engrossed bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MARTIN of Massachusetts. I would like to ask if the request does not come too late. The bill has already been ordered to be engrossed.

The SPEAKER pro tempore. The Chair will state that the gentleman from Utah was on his feet seeking recognition and under the circumstances the gentleman was within his rights.

Mr. HARRIS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HARRIS. Is it not true that the request should come just immediately before the vote on the passage of the bill?

The SPEAKER pro tempore. The bill was ordered to be engrossed and read a third time; and the gentleman from Utah has asked for the reading of the engrossed bill. That will be a matter of the unfinished business of the House, and it will come up sometime tomorrow.

EXTENSION OF REMARKS

Mr. CHURCH asked and was given permission to extend his remarks in the Record in four instances and include in each an editorial.

Mr. KEOGH asked and was given permission to extend his remarks in the Record in three instances.

Mr. BUCHANAN asked and was given permission to revise and extend his remarks made in committee and include certain extracts and editorials.

Mr. BARRETT of Pennsylvania asked and was given permission to extend his remarks in the Record and include an editorial appearing in the Philadelphia Daily News.

Mr. GORSKI of New York asked and was given permission to extend his remarks in the Record and include a resolution.

Mr. CRAWFORD asked and was given permission to extend the remarks he made in the Committee of the Whole, on the District of Columbia tax bill, and include a short table.

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL—1950

Mr. DELANEY, from the Committee on Rules, reported the following privileged resolution (H. Res. 170, Rept. No. 331), which was referred to the House Calendar and ordered to be printed:

Resolved, That notwithstanding any rule of the House to the contrary, it shall be in order on Tuesday, 29 March 1949 or thereafter, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, and all points of order against the bill or any of the provisions contained therein are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee

on Appropriations, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PROGRAM FOR TOMORROW

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PRIEST. Mr. Speaker, I ask for this time in order to state the program for tomorrow. There have been some changes since the program was announced last Friday. We meet at 11 o'clock tomorrow morning, consent having been obtained earlier in the day.

The first order of business will be the conference report on the rent-control bill.

Following the disposition of this conference report there will be the unfinished business of the civil-functions appropriations bill.

Following final action on the civil-functions appropriations bill will be the action on the District revenue bill, the engrossed copy of which we expect to have available at that time.

Following this action will come the rule on the Interior Department appropriation bill, and, assuming that the rule is adopted, the bill will then be taken up.

CALENDAR WEDNESDAY BUSINESS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mrs. BOSONE (at the request of Mr. GRANGER), for 2 days, on account of official business.

To Mr. GILMER (at the request of Mr. STIGLER), for an indefinite period, on account of illness.

To Mr. DAVENPORT (at the request of Mr. KEOGH), for Monday, March 28, on account of illness in family.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Oklahoma [Mr. ALBERT] is recognized for 2 minutes.

EFFECTS OF TORNADO IN OKLAHOMA

Mr. ALBERT. Mr. Speaker, my home county in Oklahoma last week end was the victim of a serious and devastating tornado. Several communities felt the effect of this storm. The full fury of the hurricane struck the little city of Crowder, Okla., and I have been advised that at least 90 percent of all business and residential properties of that community were either severely damaged or destroyed. At least two deaths have been reported, as well as a score of injuries.

The city of Crowder is located within 6 miles of the community in which I was reared. Many of the victims were life-long friends and acquaintances of mine. I have word that the National Guard, Salvation Army, American Red Cross, and volunteer workers and contributors in nearby communities have performed heroic services in lending succor to the citizens of this devastated community.

BILL PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on March 26, 1949, present to the President for his approval a bill of the House of the following title:

H. R. 2313. An act to suspend certain import taxes on copper.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 11 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, March 29, 1949, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

460. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1949 in the amount of \$43,000,000 for the Department of the Air Force (H. Doc. No. 142); to the Committee on Appropriations and ordered to be printed.

461. A letter from the Chairman, United States Tariff Commission, transmitting the First Annual Report of the Tariff Commission on the Operation of the Trade Agreements Program, June 1934 to April 1948—Part II: History of the Trade Agreements Program; to the Committee on Ways and Means.

462. A letter from the Chairman, Export-Import Bank of Washington, transmitting the Seventh Semiannual Report of the Operations of the Export-Import Bank of Washington, for the period July to December 1948; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KIRWAN: Committee on Appropriations. H. R. 3838. A bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes; without amendment (Rept. No. 324). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLMER: Committee on Rules. House Resolution 168. Resolution for consideration of H. R. 2023, a bill to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes; without amendment (Rept. No. 325). Referred to the House Calendar.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 326. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Re-

port No. 327. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. COX: Committee on Rules. House Resolution 169. Resolution for consideration of H. R. 3748, a bill to amend the Economic Cooperation Act of 1948; without amendment (Rept. No. 328). Referred to the House Calendar.

Mrs. DOUGLAS: Committee on Foreign Affairs. H. R. 3830. A bill to amend the China Aid Act of 1948; without amendment (Rept. No. 329). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 1140. A bill to protect and conserve the salmon fisheries of Alaska; with an amendment (Rept. No. 330). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY: Committee on Rules. House Resolution 170. Resolution for consideration of H. R. 3838, a bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes; without amendment (Rept. No. 331). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Wisconsin:

H. R. 3839. A bill to amend the Civil Service Retirement Act of May 29, 1930, to provide that certain periods of employment in the service of a State, Territory, or possession of the United States may be included as allowable service under such act; to the Committee on Post Office and Civil Service.

By Mr. JAVITS:

H. R. 3840. A bill to amend section 22 (a) of the Internal Revenue Code to exclude pensions, retirement allowances, and annuity payments received because of disability arising solely out of employment; to the Committee on Ways and Means.

By Mr. KENNEDY:

H. R. 3841. A bill to permit the District of Columbia to borrow money for capital projects; to the Committee on the District of Columbia.

By Mr. MURRAY of Tennessee:

H. R. 3842. A bill to amend section 6 of the act entitled "An act to provide for experimental air-mail services to further develop safety, efficiency, and economy, and for other purposes," approved April 15, 1938; and for other purposes; to the Committee on Post Office and Civil Service.

Mr. MURRAY of Wisconsin:

H. R. 3843. A bill to declare that the United States hold certain lands in trust for the Stockbridge-Munsee Community, Inc., of the State of Wisconsin; to the Committee on Public Lands.

By Mr. REED of New York:

H. R. 3844. A bill to eliminate or reduce certain excise taxes; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 3845. A bill to convert the National Military Establishment into an executive department of the Government, to be known as the Department of Defense; to provide the Secretary of Defense with appropriate responsibility and authority, and with civilian and military assistance adequate to fulfill his enlarged responsibility; and for other purposes; to the Committee on Armed Services.

By Mr. VURSELL:

H. R. 3846. A bill to eliminate or reduce certain excise taxes; to the Committee on Ways and Means.

By Mr. GRANGER:

H. R. 3847. A bill to amend Public Law 195, Eightieth Congress (ch. 258, 1st sess.), entitled "An act to provide revenue for the District of Columbia; to amend the District of Columbia Alcohol Beverage Control Act, approved January 24, 1934, as amended, and for other purposes"; to the Committee on the District of Columbia.

By Mr. FERNOS-ISERN:

H. R. 3848. A bill to amend section 58 of the Organic Act of Puerto Rico; to the Committee on Public Lands.

By Mr. IRVING (by request):

H. R. 3849. A bill to authorize grants to the States for surveying their need for elementary and secondary school facilities and for planning State-wide programs of school construction, and to authorize grants for emergency school construction, and for other purposes; to the Committee on Education and Labor.

By Mr. ROONEY:

H. R. 3850. A bill to provide for a preliminary examination and survey of Gowanus Canal, Brooklyn, N. Y.; to the Committee on Public Works.

By Mr. BONNER:

H. R. 3851. A bill to amend Public Law 289, Eightieth Congress, with respect to surplus airport property and to provide for the transfer of compliance functions with relation to such property; to the Committee on Expenditures in the Executive Departments.

By Mr. BLATNIK:

H. R. 3852. A bill to incorporate the American Veterans' Committee; to the Committee on the Judiciary.

By Mr. JACOBS:

H. R. 3853. A bill to provide for assistance to State agencies administering labor laws in their efforts to promote, establish, and maintain safe work places and practices in industry, thereby reducing human suffering and financial loss and increasing production through safeguarding available manpower; to the Committee on Education and Labor.

By Mr. RHODES:

H. R. 3854. A bill to increase the equipment maintenance allowance payable to rural carriers; to the Committee on Post Office and Civil Service.

H. R. 3855. A bill to amend the provisions of the postal salary law relating to rural carriers, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WHITTINGTON:

H. R. 3856. A bill to provide for a Commission on Renovation of the Executive Mansion; to the Committee on Public Works.

By Mr. FOGARTY:

H. R. 3857. A bill to amend section 5 (b) of the War Claims Act of 1948 with respect to repayment to civilian American internees; to the Committee on Interstate and Foreign Commerce.

By Mr. KING:

H. R. 3858. A bill allowing the consumer of gasoline to deduct, for income-tax purposes, State taxes on gasoline imposed on the wholesaler and passed on to the consumer; to the Committee on Ways and Means.

By Mr. RANKIN:

H. R. 3859. A bill making an appropriation for the construction of a Veterans' Administration general medical and surgical hospital at Tupelo, Miss.; to the Committee on Appropriations.

H. R. 3860. A bill making an appropriation for the construction of a Veterans' Administration general medical and surgical hospital in or near Mound Bayou, Miss.; to the Committee on Appropriations.

By Mr. TALLE:

H. R. 3861. A bill to provide for the designation of the United States Veterans' Administration domiciliary center at Clinton, Iowa, as the Schick Veterans' Hospital; to the Committee on Veterans' Affairs.

By Mr. WHEELER:

H. R. 3862. A bill to liberalize existing benefits relating to pensions for certain World War I and World War II veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. COUDERT:

H. J. Res. 205. Joint resolution proposing an amendment to the Constitution to authorize Congress, in admitting any new State, to limit its representation in the Senate; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of North Carolina, memorializing the President and the Congress of the United States relative to the administration of aid to the blind; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. ALBERT:

H. R. 3863. A bill for the relief of Carl C. Ballard; to the Committee on the Judiciary.

By Mr. SASSER:

H. R. 3864. A bill to return certain lands taken from W. W. Stewart by the United States; to the Committee on Armed Services.

By Mr. TAYLOR:

H. R. 3865. A bill for the relief of George Minoru Tetsuka; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

363. By Mr. BARING: Assembly Joint Resolution 8, memorializing the Congress of the United States to repeal the tax on transportation; to the Committee on Ways and Means.

364. Also, Senate Joint Resolution 9, memorializing the President of the United States and the congressional delegation of Nevada to assist Bonanza Airlines to obtain a certificate of public convenience and necessity from the Civil Aeronautics Board of the United States; to the Committee on Interstate and Foreign Commerce.

365. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, to make certain changes in the Displaced Persons Act of 1948; to the Committee on the Judiciary.

366. By Mr. GRAHAM: Petition of 40 residents of Evans City, Pa., and vicinity, urging the repeal of the 20 percent excise tax on toilet goods; to the Committee on Ways and Means.

367. By Mr. LECOMPTE: Petition of Charles Cain, druggist, and other citizens of Deep River, Iowa, urging repeal of the 20 percent excise tax on toilet goods; to the Committee on Ways and Means.

368. By Mr. RICH: Petition of citizens of Wellsboro, Pa., for repeal of 20 percent Federal excise tax on toilet goods; to the Committee on Ways and Means.

369. By the SPEAKER: Petition of H. A. Dingweith, Kansas City, Mo., stating opposition to the addition of the home-rule amendment to the rent-control bill; to the Committee on Banking and Currency.

370. Also, petition of O. H. Swearingen, Kansas City, Mo., favoring rent control as it now stands, and feeling that it is beneficial legislation; to the Committee on Banking and Currency.

371. Also, petition of A. F. Horton and others, Oviedo, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

372. Also, petition of John A. Wall and others, St. Petersburg, Fla., requesting passage of H. R. 2135, and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

373. Also, petition of W. E. Cook and others, Oviedo, Fla., requesting passage of H. R. 2135, and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

374. Also, petition of Lulu M. Wilcott and others, St. Cloud, Fla., requesting passage of H. R. 2135, and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

375. Also, petition of Mrs. Maggie Goldsmith and others, Oviedo, Fla., requesting passage of H. R. 2135, and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

376. Also, petition of Mrs. L. E. Beers and others, Cassadaga, Fla., requesting passage of H. R. 2135, and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

377. Also, petition of Miss Alice Myers and others, Cassadaga, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

378. Also, petition of R. L. Summer and others, Miami, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

379. Also, petition of Lionel Loreda and others, Tampa, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

380. Also, petition of Albert Meza and others, Tampa, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

381. Also, petition of Ola M. Fleming and others, St. Cloud, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

382. Also, petition of Mrs. Carrie E. Harvey and others, Miami, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

383. Also, petition of Nelson J. Perkins and others, Miami, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

384. Also, petition of Ruth L. Richardson and others, St. Cloud, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

385. Also, petition of John Newman and others, Orlo Vista, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

386. Also, petition of Buddy Hays and others, Orlando, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

387. Also, petition of Mrs. Henrietta Millican and others, Orlando, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

388. Also, petition of Antonio Castaldo, Chicago, Ill., urging that the Italian delegation to the United Nations take the lead in proposing that Italy be assigned the United Nations trusteeship of her former possessions in Africa; to the Committee on Foreign Affairs.